Daily Report

Latin America

FBIS-LAT-95-224
Tuesday
21 November 1995

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Cuba

Foreign Minister: No Concessions for Accord With EU

PA2111011995 Havana Radio Havana Cuba in Spanish 1300 GMT 19 Nov 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Foreign Minister Roberto Robaina has stated that Cuba will not make political concessions to sign a cooperation accord with the European Union [EU]. Closing a seminar between Cuban and EU representatives in Havana, the foreign minister pointed out that if such an agreement were to be blocked due to electoral politicking, the island would not be the only one to lose.

At the same event, Spanish Cooperation Secretary [Jose Luis Vicenta] insisted that the EU has not placed any type of conditions to sign an accord with Cuba. He reiterated that the EU is interested strengthening and furthering the process of reforms in the island.

A greater and firmer European participation in the process of creating joint enterprises in Cuba would help make the Cuban economy more dynamic, Cabrisas pointed out. He added that this European participation would soon result in an increase in all economic activities and the improvement of our people's social situation.

Meanwhile, the minister demanded equality for Cuba with other sister nations in the region regarding the access of its exports to the European market and the acknowledgment of the right to compete in that market.

Cabrisas noted that he had confidence that new paths and channels for dialogue and cooperation, which will lead into a more normal situation than the current one, will be opened.

Currently, the EU member countries make up a third part of Cuban trade. According to Cabrisas, Cuba's technological reequipping, the financial sources for the country's development, and investments in key sectors such as tourism and not only the technical and commercial exchange, open new opportunities for European exporters to participate in a growing economy.

The seminar, attended by EU deputies, ministers, and journalists, will conclude at the Melia-Cohiba Hotel tomorrow.

Minister Views Foreign Trade Recovery, Ties

PA2111012295 Havana PRENSA LATINA in Spanish 0157 GMT 17 Nov 95

[FBIS Translated Text] Havana, 16 Nov (PL) — Foreign Trade Minister Ricardo Cabrisas stated today that the gradual recovery being faced by the Cuban trade will benefit economic ties with the European Union [EU].

The possible role of Europe in financing and providing assistance to the investment process Cuba will require along the path of its economic recovery and development, which is already being envisioned with confidence, stands out. Cabrisas made this statement to officials and journalists attending the Cuba-EU Seminar.

The meeting, which began yesterday in this capital, is being sponsored by the Association of European Journalists and the Union of Cuban Journalists.

The minister explained that after a strong gradual contraction in the past four years, the trade volume increased by more than 9 percent in 1994 compared to the previous year.

In 1995, he said new increases will be achieved, and added that he hopes a sustained recovery of the sugar production along with an increase in the volume of exports will begin in 1996.

Within this context, he stressed that the possibilities to establish closer ties with Europe must be placed within the framework of the globalization trend in today's world, putting Cuba in the concert of Latin America and the Caribbean.

Emigration Official Interviewed on New Travel Pass

PA1911174695 Havana Cuba Vision Network in Spanish 0259 GMT 8 Nov 95

["Open Agenda" program with host Antonio Resillez and guest Jose Ramon Cabanas Rodriguez, director of the Foreign Ministry's Emigres' Affairs Office — live]

[FBIS Translated Text] [Begin recording] [Foreign Minister Roberto Robaina, addressing the 2d The Nation and Emigration Conference, identified by caption, in progress] ....all Cubans. The phrase all roads lead to Rome is not always true. On this occasion, they led to Cuba. Long and short, easy and difficult, roads seldom traveled or traveled for the first time. [applause]

[New Jersey resident, identified by caption] I am truly moved, and glad. I believe the kindness of the Cuban people, the Cuban Revolution, and its leader Fidel Castro is so big that I truly have no words to express my happiness. I did not come here asking for anything and, in exchange, this noble nation and Revolution is giving so much to us Cubans who live abroad and struggle for the well-being [as heard] and lifting of the embargo.

[Key West resident, identified by caption] It was very moving for me when the measures were announced, particularly the second one by which Cubans do not

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have to request visas to enter Cuba for a period of two years. It was very beautiful because of my mother, and the entire crowd began to sing the national anthem and applaud and chant Viva Cuba and Viva Fidel. It was very moving.

[Australia resident, identified by caption] I have been living in Australia for 11 years and attended the previous conference to support everything that benefits our Cuban people, because one does not have to be far away to feel [words indistinct].

[Havana historian Eusebio Leal, identified by caption] What unites us today? What should be the north and east of that unity after contemplating such a sight? To me, the most important thing is that there is something at our very core, that which is Cuban; our Cuban identity must prevail. [end recording]

[Resillez] Good evening. We are going to start without delay, because we are aware that our viewers nationwide, as they have told us all day long, are very interested in today's subject.

As we stated in our promo clip, the 2d The Nation and Emigration Conference concluded in Havana about 24 hours ago. The conference broached issues of great interest to our population in the political, economic, and social spheres, as well as many others.

We seek to brief our viewers on basic elements of this conference. To this end, we have invited Comrade Jose Ramon Cabanas, head of the Emigres Affairs Office. This office was created only a few months or weeks ago, if I remember well, after April 1994 when the first conference was held, and this office was created as a result of that conference. This office handles the issues of Cuban emigres. Comrade Cabanas is a young man, yet he has 12 years of experience in the Foreign Ministry working in Cuba and abroad as a diplomat.

Cabanas, I would like to begin our conversation with current news. Yesterday at the conference, comrade Robaina made announcements that made the headlines in Cuba and abroad. He announced that our government has decided to grant a two-year permit to any Cuban emigre requesting it and meeting certain requirements.

That is truly news in Cuba, even for that individual interviewed by NTV reporters that we saw at the beginning of the program. It is also news abroad according to the feedback we are getting from international news agencies.

When do these measures go into effect?

[Cabanas] At the conference the political will was ezpressed to issue this document called the Travel Pass, which, as you stated, once requested and approved, allows an individual the possibility of traveling to Cuba from anywhere in the world, without limitations — in other words, as many times as he wants — and without having to request any other permits. We expect the mechanism of requesting, authorizing, and the permit itself to be ready as soon as possible. There is no need to delay the implementation of the measure.

[Resillez] Who would be excluded?

[Cabanas] That is very simple. When the measure was announced, our foreign minister stated that the travel pass will be granted to any individual who currently does not participate in hostile actions against Cuba and who is not involved in crimes in his country of residence. These are two very simple rules.

[Resillez] Once the pass is granted, this implies the emigre is authorized to live in Cuba. Has it been defined for how long?

[Cabanas] Normally, the emigres' trips are short. Most come to Cuba to visit relatives or perhaps to attend social or cultural affairs for a relatively short time. Right now the thinking is that it might be good for up to three months or perhaps some other period. The idea is to allow easy contact with relatives in Cuba.

[Resillez] Would these people be allowed to hold jobs?

[Cabanas] Not at all. The goal of this measure, I repeat, is to ease trip procedures for emigres who, in the majority of cases, come to visit relatives. It does not include job options.

[Resillez] This authorization would be issued by the consulates and embassies in the countries where the emigre requests it or would this be done centrally by the Foreign Ministry.

[Cabanas] The emigre would make the request at the consulate closest to his place of residence. The request would then be forwarded to Havana, and the same authorities that have dealt with emigration in the past would authorize, on the basis of what has been established, the approval of the document, which would then be issued by the consulate where it was requested.

[Resillez] Is there any specific length of time by which the emigre can expect to get an answer, either positive or negative, to his request?

[Cabanas] In great measure, the length of time is going to be determined by the number of people requesting these travel permits. Our goal is to keep it to as short a time as possible.

[Resillez] Would they have to pay any fees?

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[Cabanas] Obviously, there will be a consulate fee, which we expect to be on a par with the current fee for entry permit requests or permits for residency abroad. There will be a fee for the first request, but as was announced, this document can be extended every two years if the individual does not violate the two basic conditions established. The fee for the extension would be smaller.

[Resillez] Cuban emigres from 34 countries attended the conference. However, the majority of these emigres lives in the United States. It is obvious to me that this measure means that the decision of any Cuban to visit Cuba, barring the two exceptions you just mentioned, is not restricted by our government, but it is clear that it is a restriction imposed by the U.S. Government. Is that not obvious?

[Cabanas] Exactly. Our government have been expediting travel for the emigres living in any country, in general. However, the emigres living in the United States face the restrictions that we all know about when they want to visit relatives. We are making it as easy as possible; the restrictions are from the other side.

[Resillez] The media has reported that last night, our commander in chief met with the participants in the conference. I must add — as you know, but our viewers might not — that for the journalists accredited to cover the meeting — as usual, this is nothing new. There are things that the media, either domestic or foreign, is not given access to — this activity was one of such cases. I would like for you to tell our viewers what took place at the reception, to give us your personal view and assessment.

[Cabanas] Yes, in the case of this reception, which took place barely 24 hours ago, our president had the courtesy of greeting the great majority of the participants in the conference. He was able to talk briefly with the majority of them. There were 357 emigres from 36 countries. A similar reception was also held at the end of the first conference, and, in general, the dialogue was very smooth and interesting, and at times included the personal experiences of many people who visit Cuba frequently and others who came to Cuba for the first time after 20 or 30 years. That was the general atmosphere of the event.

[Resillez] Was the mood lighthearted, was there any anything highly moving, as I witnessed during the conference, or was everything as usual in this type of receptions?

[Cabanas] Yes, the reception went just like the rest of the activities of the conference. This also signals progress toward normalization in relations with our emigres, people of Cuban origin who live abroad. Ideas are expressed in a respectful manner. There is a polite exchange, and it does not go beyond that.

[Resillez] It has been said many times these last few days — we heard it repeatedly at the Convention Center — that the Cuban authorities, Foreign Ministry officials, and other comrades who attended the conference listened with great patience and carefully to everything the participants wished to express. Could you tell us what the main issues were?

[Cabanas] Yes, in some cases we had to be patient and in others it was a pleasure to listen to their statements. It is noteworthy that 238 people, in general, spoke at the conference, 238 out of 357. This was possible, in part, thanks to the structure, the panels, in contrast with the first conference, which was mostly a plenary.

That is in terms of the degree of participation. In terms of issues, the great majority of the participants brought up efforts to improve emigres' ties with Cuba; there was a minority of participants who missed the mark and broached issues the discussion and debate of which pertains to the 11 million Cubans who live in Cuba. The interesting thing about this is that despite the fact that these people were given an appropriate answer in a civilized and respectful manner, the first response came from the majority of the participants in the conference, who clearly stated that they had not come to Cuba to make those kinds of pronouncements dealing with politics or Cuba's domestic situation.

[Resillez] Basically, the pronouncements you are referring to came from people who live in the United States?

[Cabanas] Yes, basically.

[Resillez] Another decision made during the conference was to extend study options and services to Cuban emigres and their descendants. Could you brief us on the scope of this decision?

[Cabanas] Yes, since the so-called 1988 dialogue, Cubans living abroad have been asking for the opportunity for them or their descendants to take graduate courses in Cuba.

In the first conference in April 1994, it was announced that our authorities had decided to allow Cuban emigres or their descendants to take courses, pay a tuition, in a number of specialities in our universities. Perhaps as a complement to this, the decision was made that these people, paying a tuition, can also take graduate courses, mainly short courses, perhaps a few weeks or months long.

[Resillez] Great. Does this also cover higher education centers outside Havana, is it nationwide?

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[Cabanas] Yes. Last year's measure included several education centers in the provinces. The options are open to take courses in a number of specialties and in a number of centers.

[Resillez] A few minutes ago, in response to one of my questions about any incidents that might be a little bit unusual in events of this nature, in the case of activities tied to the conference, I would like to persist and ask if any incident out of the ordinary took place during the conference.

[Cabanas] I do not believe we can talk about an incident as such. However, we have to keep in mind the importance of this social experiment, to give it a name. In addition to the Cuban officials and authorities, there were 357 people from 36 countries, people whose situations are very different. The majority of them, 228 out of 357, live in the United States, and 135 of the 357 had participated in the first conference. The rest had no previous experience. I say this because the goal, obviously, of the dialogue — there were six main issues, six panels — is to attain something akin to a agreement. At times, there were people who broached things outside of the planned discussion or in terms that were not disrespectful but were not the terms we usually use in Cuba, and they are not used to the terms we use.

[Resillez] Of course.

[Cabanas] However, the framework of mutual respect was never breached. Therefore, I would say that there was no incident per se.

[Resillez] I have here some questions, some have already been broached in our conversation, but there are others I will try to broach. This seems to be from someone who might be somewhat involved with the conference and who asks why at times some comrades refer to these conferences as something about to conclude? In other words, a finite process, rather than an indefinite process. Why?

[Cabanas] Yes, that is a valid concern. We keep saying that the second conference has just concluded, and we do not know when the third will be held or if it is needed. The conferences fulfill the goal of strengthening, encouraging, promoting the development of this policy. Anyhow, this policy is not limited to these conferences alone. In great measure, the first conference had the historic role of reinitiating the process begun with the 1988 dialogue under new international perspectives. This conference basically fulfilled a role of continuity.

We have to keep in mind that many things have happened in between the conferences. Several events took place in Cuba with the participation of emigres. More and more activities include the presence of people who live abroad. Several emigration measures were announced in between conferences, and when it came time to organize this conference, great creativity had to be used to not repeat what was done earlier. We must stress that not all, but many of the people who attended the conference travel frequently to Cuba to see their relatives and perhaps have certain social, cultural, and maybe even economic ties in Cuba. For many of these people the goal of normalizing relations is already accomplished at the individual level. As we progress further and migration and other types of exchange become smoother, then the conferences will play less of a role in defining policy.

[Resillez] We have here many questions from our viewers. I will try to summarize them in the following manner. The announcement made yesterday on the renewable two-year travel pass for Cuban emigres only excludes those people hostile to the nation, the country, and the Revolution and those people who have court cases pending in their country of residency. Are these, categorically, the only two exclusions?

[Cabanas] Those are categorically the only two exclusions, just as it was announced by our foreign minister. However, I believe it would be good to clarify two things. First, a large number of people would fit under these two categories, yet we should not expect a great volume of people to travel to Cuba or request that document, because, first of all, we have to assess how interested they are in visiting Cuba. This pass is going to be requested mainly by people who travel frequently. However, the conditions you mentioned are the only two established. On the other hand, the creation of this new category, this new document, does not supersede the regular entry permit. Therefore, people who do not wish to request the two-year entry pass in order to avoid being identified as someone who has a non-hostile or positive attitude toward Cuba, still have the option of requesting the regular entry permit every time they want to travel to Cuba.

[Resillez] Great. I just thought of another question, a very normal question anyone on the streets might ask you, any Cuban might think of, and since in addition to being a journalist, I am also a Cuban, I just thought of this: Are you not concerned that in the effort to increase mutual good faith, someone might try to pass a lemon for a an orange?

[Cabanas] That is not a worry per se. The conditions have been created to tell the lemons from the oranges. I would add that this was already tried by someone. However, this is state policy supported by all the national institutions involved in this issue, and whoever

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tries to deceive us will crash into the defensive shield we have in the country to prevent any hostile activity. We are not worried about it. We are keeping our eyes open.

[Resillez] In the last 24 hours, have you had an opportunity to review the international impact of the conference, particularly of the announced measures. Are you aware of the international public opinion in this regard?

[Cabanas] Yes, the information we have seen so far, shows on the one hand, that Cuba has the willingness to continue this policy despite international pressures and a series of very hostile conditions. Comrade Balaguer reiterated in the closing address that this is an irrefutably irreversible policy, and I believe the implemented measures prove this clearly. The general view the emigres that attended the conference and are now returning to their countries of residency gave to reporters is one of great elation. I believe that is only logical. The media reports we have seen so far have shown a measure of respect and have reported the very essence of the event.

[Resillez] I have noticed that our Foreign Ministry officials prefer to call this process a process of normalization of relations, while other people from other countries and also here in Cuba, used the term reconciliation. Are there any specific viewpoints on this? Why does the Foreign Ministry prefer to call it normalization rather than reconciliation?

[Cabanas] The Foreign Ministry, and in general all the officials and people who are involved in the implementation of this policy, believe that the term reconciliation has a political connotation that is foreign to this process. We define normalization as the efforts, the will to eliminate as many obstacles as existing conditions permit to encourage emigres' ties with their country either for family, emigration, social, religious, and many other reasons. The term reconciliation implies other things that really have nothing to do with the Cuban emigration process. In this country we did not have a civil war, the people did not face off in two blocks. There are people living abroad for two main reasons. One, the hostile policy that for 36 years the United States has unleashed against Cuba, using the issue of emigration to fight the Revolution. Second, our underdevelopment. Cuba is in 17th place worldwide among countries whose citizens emigrate to developed countries. There is a worldwide movement of people from the Third World to the industrialized world. We have to understand Cuban emigration and why those people live abroad under the light of these two reasons. Therefore, we use the term normalization, a normalization taking place between the state, and its entities, and private individuals; rather than the term reconciliation, which perhaps applies better to other countries.

[Resillez] Finally, do you believe that the process of normalization of relations between Cubans living abroad and their country of origin will be completed before the end of the century, in the next five years, which is really not that long?

[Cabanas] Much progress might be attained by them. There are a number of conditions that might really depend on the country's will, but much is going to depend on conditions outside the country. One of them might be how much Cuban emigres would be willing to be pawns of a hostile policy against Cuba. This is perhaps one of the main reasons more progress was not possible in the past. In five years, however, we can expect more progress in these relations. We have to keep in mind how much progress has been attained since the first conference. This policy is not an isolated one; progress has been possible thanks in part to Cuba's recovery and the development our population has attained despite the current conditions.

[Resillez] Is there anything else you would like to add?

[Cabanas] No, on behalf of the organizing committee of the conference, I would like to thank you for this opportunity to brief our people in this regard and add that we are available to the national media in the future if necessary.

[Resillez] Thank you very much. I believe we have provided our viewers with a very broad and also with very precise aspects of the conference. Thank you very much, see you next Tuesday.

[Begin recording] [Politburo member Jose Ramon Balaguer, identified by caption] I believe, and think you believe so to, that the debate has been rich, honest, and open. This reaffirms that we are making progress toward mutual trust. It is good to repeat this term of vital importance for the road ahead: Mutual trust is necessary to deepen our ties. On this occasion, I believe we have reached a higher level of action.

On behalf of Cuba and the conference organizers, I want to reiterate to those who share this time with us our recognition for your presence and for the valuable contributions you have made and will continue to make in the long road ahead after these conferences are no longer necessary.

Comrades, it is never too late to intervene on behalf of the motherland. This is a decisive moment for all of us who want an independent and noble Cuba. Together, down this path, we will save her. To her, the best sons

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of this land must dedicate their lives, here and abroad. Thank you very much. [end recording]

Western Army Troops Conduct Reconnaissance Maneuvers

PA2111041395 Havana PRENSA LATINA in Spanish 1913 GMT 20 Nov 95

[FBIS Translated Text] Havana, 20 Nov (PL) — Western Army troops have conducted special reconnaissance maneuvers called II-95-I Alert [Alerta II-95-I], during which they carried out ambushes, landings by transport helicopter, electronic jamming, and other military actions.

A wire dispatch by the National Information Agency [Agencia de Informacion Nacional — AIN] states that the military exercise also included an operation against "small, antirevolutionary groups."

The training took place jointly with Territorial Troops Militias (People's Armed Forces), Special People's Troops [Tropas Especiales Populares], and Defense Councils and Areas [Consejos y Zonas de Defensa], in accordance with the Cuban idea of a war waged by all the people, AIN states.

The maneuver, the note adds, served to train command units in reconnaissance organization and leadership for acquiring information from the enemy in real time under various conditions.

The dispatch also stressed the cooperation between participating forces in the development of combat actions.

According to the AIN, the exercise stressed simultaneity, jointness, dynamism, and complexity of actions in the use of tanks, aviation, the Navy, special assignment groups, and electronic warfare.

The exercise was witnessed by Division General Jesus Bermudez Cutino, who has said that fulfilling the dynamics to obtain rapid and timely information from the enemy demonstrated the proficiency and professionalism attained by the chiefs, staff, and defense councils who worked independently.

Oil Enterprise Director Views Extraction Work

PA2111043995 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Nov 95

[Report by Jesus Diaz Loyola from the "National Radio News" newscast]

[FBIS Translated Text] Marcos Aguilera, director of the oil drilling and extraction enterprise in central Cuba, told this newscast today that the achievement of its goal is at hand, and he noted that this will be the first time that a national enterprise will reach the big figure: One million tons extracted in a fiscal year.

Aguilera, leader of a group of almost 2,000 workers involved with prospecting for crude in every inch of soil and water, said they are advancing at a pace of almost 3,000 tons per day on their way to the one million figure.

The oil workers of central Cuba, who are working in maritime and land operations zones of Matanzas, Villa Clara, and Cienfuegos, are putting out 80 percent of the national crude production.

Looking at their own record, they recognized the feeling that Fidel instilled in them on 26 July when he justified the reason for their effort: So that a minimum of electricity, domestic fuel, and other services will reach the people while the blockade is burdening us.

Haiti

President Comments on 'New Structure' for Country

PA2111012795 Port-au-Prince Tropic FM in French 1200 GMT 20 Nov 95

[Report by Mario Tropnas — passages within slantlines in Creole]

[FBIS Translated Text] A ceremony commemorating the 192nd anniversary of the Battle of Vertieres was held at the Police Academy, the former Military Application Camp, the morning of 18 November. Several personalities of the political and diplomatic community participated in this ceremony, notably President Jean-Bertrand Aristide, Prime Minister Claudette Werleigh, the justice minister, Attorney Rene Magloire, and Adrien Rameau, commander in chief of the National Police Force.

In his speech, President Aristide called on the police force agents to show solidarity toward one another so they may fit into the new structure. The following is a report by Mario Tropnas.

[Tropnas] /Eighteen November 1995, which marked the 192d anniversary of the country's independence [as heard], was celebrated in a special manner. The country's head of state spoke at the National Police Academy to recall the importance of this date, which is not Army Day, when deadly weapons used to be exhibited, but, rather, a day belonging to each Haitian. The country's head of state did not give a regular speech but, rather, a dialogue aimed at prompting everybody to think of change for the country, so it may have a social structure in which we have a new police force that respects the nation, that does not consider civilians as enemies.

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/The country's head of state [word indistinct] that everybody live in egality, freedom, and union. He said he is not politicizing [words indistinct] and that he prefers to speak as the leader of each Haitian:/

[Begin Aristide recording] After 192 years, I have come to meet with you not to declaim nice poems, not to deliver a great speech but, rather, to hold a dialogue that leads us comprehensively. When I say comprehensively, I mean the structures of our society. /I am not politicizing in favor of the group that has a table as its symbol; no, I am speaking as the head of state in charge of each Haitian./ [end recording]

[Tropnas] /President Aristide added that the new structure includes the behavior of the new police force, which must be different from that of the former Haitian Army, which was based on corruption, plundering, drug trafficking, and the killing of people. Land reform, which has already begun, is part of the new structure as well. The president would like the Haitian people to be free of the major headaches that want to destroy the people; that is, the Army, misery, and weapons. He also announced his decision for disarmament, to be carried out in order and with discipline throughout the country:/

[Begin Aristide recording, in progress] /...the weapons people hold illegally; that is, disarmament must be done. We must continue doing it. [Words indistinct] my message well so it may have the proper effect.

/Meanwhile, you can find ill-intentioned people who would like to cause disorder, to tarnish the reputation of lavalas, people who would like to spoil the nice disarmament work being done. Then, must the police sit by idly and look at the eyes of those people? No, it will put order where there is disorder./ [end recording]

[Tropnas] /Note that present at the ceremony were the students of the National Police School, national policemen who are already in uniform, interim policemen, members of the government, and members of the diplomatic corps. In conclusion, the president asked all the policemen to [words indistinct] as our ancestors so as to rebuild the country properly.

Views Army, Police Roles

PA2111012995 Port-au-Prince FM Radio Metropole in French 1700 GMT 20 Nov 95

[FBIS Translated Text] The day marking the Battle of Vertieres, 18 November, was commemorated on 18 November without fanfare, without a parade. A simple ceremony was held at the former Military Application Camp in Freres for the national and interim policemen, members of the demobilized Army. They participated in this ceremony during which the president of the Republic reaffirmed his willingness to eliminate the Haitian Armed Forces [FADH].

President Aristide portrayed the Army as a danger to Haitian society and called on the policemen to adopt different behavior. If the Army does not exist today, you must replace it, the head of state told the members of the two corps. Let us listen to an excerpt of his speech:

[Begin Aristide recording, in Creole] Would you, Haitian policemen, both interim and national policemen, agree today, 18 November 1995, to have the old system of corruption and tontons macoutes back again? Somebody said never. I congratulate you and trust you. Haiti's future depends a great deal on you, police forces of Haiti. If you do it the way you said today, I would have no problem with dying while speaking to you now. I would pass away in peace, because all great historians, including Roger Gaillard and so on, all those who are thinking about Haiti's story, have realized that for 192 years, one of the biggest diseases from which Haiti was suffering was the disease in the form of the Haitian Army. Fortunately, it no longer exists. Fortunately, you, policemen, have just said it before the nation and the world. You agree to work as required by the Constitution, but not the way it used to be done in the past, and this point is one of the reasons why I have chosen to come with the prime minister and government members to think and hold a dialogue here where we are preparing new policemen and a new Haiti.

Here is the second point. If we leave the old model for a progressively new one, there is a reality we can see. This reality is linked to what we are living through today. According to researchers, 62 countries have about 150 million underground mines; sixty-two countries in the world have about 150 million underground mines. A mine is a small bomb, meaning the underground is mined. UN research says this situation causes the world to lose about 800 people per month. It might cost about $200 billion to $300 billion to extract these mines; thus, the extraction of small bombs, the extraction of mines requires much money.

We have extracted a mine in Haiti; it is called the Haitian Army. Yes, you can express it better. You do not have to feel embarrassed. [applause] There is a second mine that we have to extract from Haiti, one that is more difficult. It is misery. Misery, hunger, and unemployment. This is also a mine; it is underground and enters every door of society. It will be more difficult for us to get rid of it. As we move ahead, we look for techniques and tactics to get rid of it, but it is there.

There is a third kind of mine we will extract. It is what we call the weapons being held illegally by people. Disarmament must be done. We must continue doing it. [end recording]

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Government, EZLN Reach 25-Point Agreement

PA2111035995 Mexico City Radio Red Network in Spanish 0000 GMT 17 Nov 95

[From the "Night Monitor" newscast]

[FBIS Translated Text] During the first session of the Dialogue for Peace and Reconciliation in Chiapas, the Mexican Government and the Zapatist National Liberation Army [EZLN] have reached a preliminary 25-point agreement over the Indians' rights and culture.

An important negotiation has been unlocked and an agreement over 25 points has been reached, Pablo Salazar, Institutional Revolutionary Party senator and head of the legislative commission in San Andres Larrainzar, has said. Salazar did not give details on the nature of the agreements but said they are the framework for the measures to attain the so-called honorable peace that will permit the EZLN's disarmament.

Salazar said that, after shuffling to see who takes possession of the middle ground, so to speak, agreements were reached in nearly all of the working commissions. In addition, before opening the fourth round of talks on Thursday, the two sides had agreed on eight of the agreement's 25 points. Some of the most important coincidences include fulfillment of commitments such as ILO's Article 169, which recognizes the Indian peoples' territorial and self—government rights, as well as the administration of resources.

Before the agreement was announced, the government had said that linking the demands for autonomy to a territorial demand was unacceptable because this undermined sovereignty. The subject is particularly delicate because a considerable portion of Mexico's big crude oil reserves lie in Chiapas, where this conflict erupted in January 1994. In addition, it was agreed to revive the spirit of Article 127 of the 1917 Constitution, which is an antithesis of the 1992 neo-liberal reform and authorizes the free sale of community lands to stimulate private local and foreign investment in rural areas. The sides agreed that the Indians' demands presented by the EZLN are not limited to Chiapas but include all of the country's Indian peoples and that, to establish a genuine Indian self-government, a broad constitutional reform will be necessary.

Self-government is the Indian peoples' contribution to the necessary transition to democracy, it was pointed out in one of the agreements referring to the demand for political opening in a country that has been governed by a single party for [words indistinct] or more years. One of the persons participating in the negotiations as mediator said that these coincidences are the framework for the next agreements.

Alternatives will start to be presented starting today to resolve this subject of self-government and the changes that should be made in the various political structures, such as municipalities.

ANIERM Warns of Economic Damage Due to Speculation

PA2111012095 Mexico City LA JORNADA in Spanish 17 Nov 95 p 56

[Report by Patricia Munoz]

[FBIS Translated Text] Higher prices, a cheapening of Mexican products abroad, increased public and private foreign debt, as well as higher national production costs in practically all industrial branches, are the first results of the eight weeks of monetary speculation the country has faced.

The National Association of Mexican Importers and Exporters (ANIERM) made that statement and noted that for the country the speculative waves have been extremely costly for the economy.

Just one day of speculative operations yields more profits than those the economy generates in one month, it noted, adding that price increases are an immediate reaction since practically all of the country's products contain some import products, which become increasingly expensive when they are sold in dollars.

The market instability has hit just about all the sectors of the country's life basically because the economy is dollarized, ANIERM warned.

It explained that imports of semi-finished goods have not been halted but on the contrary gone up between 3 percent and 4 percent approximately, although purchases abroad of consumption goods as well as of capital goods have fallen sharply.

This means that the purchases of supplies and raw materials have held up, but due to the current prices lists first-hand goods in most of the industrial sectors, have become more expensive.

In sum, whereas the internal productions costs have risen Mexican products are cheaper abroad since the same amount of sales volumes produces smaller earnings, ANIERM stated.

In the domestic aspect, the group explained, the result was higher interest rates that hurt the entire economy because they raise the cost of money and make access to credit more difficult.

On this last point, it warned that an increase in the interest rates puts a major number of companies on a "tight" spot, since the portfolio of overdue loans

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is close to 25 percent. This means that one of every four companies has overdue debts because the financial problem is one of the most serious ones in this sector. And so, speculation has had an extremely high cost in the country and once again and pushes back the time foreseen for the economic recovery, the organism felt. It also noted that so far the economic losses generated by the money market movements are incalculable, and although much of these losses are "psychological" they have "very real" effects mainly on the market indicators.

For that reason, ANIERM stated, if the price of the peso with regard to the dollar is not reduced and returned to more technical levels, monetary speculation would prompt a change in all the medium-term goals and a review of the recovery plan established by the current government may even be necessary.

Report Cites Revenue, Investment, Employment Figures

PA2011194495 Mexico City EL FINANCIERO in Spanish 17 Nov 95 p 8

[Report by Gustavo Flores and Victor Gonzalez]

[FBIS Translated Text] During the first months of 1995, the federal government revenues dropped by 5.5 percent, as compared to revenues collected during the same period in 1994, while gross fixed investments fell by 29.2 percent, the open unemployment rate was 7.5 percent, and the average salary with IMSS [Mexican Social Security Institute] deductions had fallen by 11.74 percent until August 1995.

The third-quarter Report on the Economic Situation, Public Finances, and Public Debt states that tax revenues recorded an 18.1 percent drop; income tax (ISR) revenues fell by 20.8 percent; the value-added tax (VAT), by 0.8 percent; and the special tax on production and services [Impuesto Especial sobre Produccion y Servicios] (IEPS) and the import tax, by 35.5 and 35.2 percent, respectively.

Regarding nontaxable revenues, the taxes on goods recorded a 29.3 percent fall, other taxes fell by 27.8 percent, and profits [aprovechamiento] fell by 19.8 percent. With regard to these taxes, only copyright taxes recorded a positive balance of 62.3 percent.

The document EL FINANCIERO obtained at the Chamber of Deputies, where it was made public on the evening of 15 November, stated that the government's total revenues had amounted to 290.912 billion new pesos [N$] by September, N$105.963 billion of which corresponded to tax revenues and N$67.069 billion, to nontaxable revenues.

This document also stated that N$57.058 billion were collected in ISR taxes; N$36.017 billion, in VAT taxes; more than N$17 billion, in IEPS taxes; and approximately N$7.734 billion, in export taxes.

As for nontaxable revenues, which increased by 33 percent, more than N$53 billion were collected in copyright charges; N$1.856 billion, in product charges; N$6.181 billion, in charges known as other taxes; and approximately N$12 billion, in profits charges.

Oil revenues had amounted to N$107.866 billion until the third quarter of 1995, 29.6 percent more than what was collected during the same period a year ago. Meanwhile, revenues not related to oil totalled N$183 billion, an 18.5 percent decrease as compared to the revenues collected during the January—September 1994 period.

The ISR fall, the document indicates, stemmed from, among others, the devaluation and the volatile par value of the exchange rate, as well as from the fiscal modifications Congress approved, the bonus granted to salaried workers, and the reduction of the active tax from 2 to 1.8 percent.

Likewise, the VAT fall stemmed from the lower market sales. The source adds that had this tax not been increased from 10 to 15 percent, starting in April 1995, the drop in the collection of these revenues would have been 19 percent, and the participation rate for states and municipalities would have been seriously affected.

The IEPS drop was prompted by the way in which the Pemex [Mexican Petroleum] fiscal system operates due to the devaluation impact. In the meantime, export taxes fell, as compared to last year's figure, due to the drastic reduction in the volume of foreign merchandise that had come into country until September.

The collection of other taxes, especially those levied on the payment of holdings, fell due to the decrease in auto sales.

In addition, the aforementioned document indicated that the January-September industrial production fell by 7.6 percent and that the production in the construction and manufacturing sectors, by 19.9 and 6.5 percent, respectively. Meanwhile, the production rate in the electronics sector grew by 3.8 percent.

The industrial production of the assembly plant sector increased by 14.5 percent during the first nine months of the year, and this sector's employment rate grew by 6.9 percent.

After stating that the open unemployment rate was 7.5 percent in September and 6.8 percent in October, the

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report indicated that the number of workers paying their IMSS quotas was 9,223,128, approximately 913,000 fewer workers than the number of workers reported in late 1994. This means that 138,476 jobs were lost during the third quarter of 1995.

Canacintra Official Notes Shortage of Raw Materials

PA2111122895 Mexico City LA JORNADA in Spanish 17 Nov 95 p 57

[Report by Raul Llanos Samaniego]

[FBIS Translated Text] Thus far in 1995, the Mexican industry has endured a gradual shortage of domestic raw materials, caused by the constant closure of businesses, stated Roberto Sandoval, president of the Council of Capital Goods of the National Association of Manufacturers (Canacintra). Sandoval emphasized that the businesses that continue to operate are doing so at very reduced levels of full operating capacity, without being able to meet the domestic demand, which has triggered an increase in imports.

To this effect, a recent study by the Private Sector Center for Economic Studies (CEESP) indicates that thus far, the reduction in the number of Mexican imports has been "relatively modest and in fact, between May and September, they have registered a slight upsurge."

The document establishes that despite the fact that Mexico has a more dynamic export sector and better conditions of access to international markets, "the scope of the foreign competition is unprecedented and the Mexican economy's development is characterized by a heavier dependence on imports."

According to figures provided by the Bank of Mexico, while imports amounted to $6.999 billion in December 1994, they amounted to $6.094 billion up to September 1995. It is worth pointing out that whereas imports had reached $4.969 billion in April 1995, they had increased by an average of $6.030 billion in May and June.

In an interview, Roberto Sandoval Fascio and Carlos Gonzalez Fisch, vice president of Section 78 of Canacintra, of Manufacturers of Pressure Cookers, explained that in an attempt to survive this difficult economic crisis, the local industry has overlooked any effort to become more modern. This has caused many companies to have a 50-year lag in their technology, as well as their equipment and training.

Gonzalez Fisch emphasized that this situation stems from the lack of long-term plans —20 years at a minimum— to define development strategies. "Without an idea of where we are heading, we cannot plan efficiently and without plans, we fall into stagnation and obsolescence. This circumstance, coupled with the coming of such a strong opening, forced many productive units to close."

As a result, Roberto Sandoval explained, a large number of the equipment, machinery, and tools are no longer produced in the country, causing a shortage of raw materials for the domestic manufacturing sector. He mentioned that manometers, valves, several petrochemical products, among others, are no longer manufactured here.

Similarly, he stressed, companies such as Mexican Petroleum or large private consortiums such as Celanese have dismantled several of their productive plants, which worsens the shortage of raw materials. In addition, he indicated that up to two years ago, 78 companies manufactured machinery and tools, and thus far, only three of four are left.

The only option we have left, he reiterated, is to import everything. However, they demanded that support mechanisms be established for the domestic industry, based on a long-term economic program that contemplates the clear industrial policy Mexico has lacked since many years ago.

According to figures provided by various business organizations, the economic crisis has caused the full operating capacity of the manufacturing sector to reach an average of 50 percent, although in some economic sectors, it surpasses 70 percent.

Poll Records Mixed Results for Zedillo

96CA0045A Mexico City REFORMA in Spanish 5 Nov 95 p 2A

[Article by Haydee Perez and Rafael Gimenez: "Carlos Salinas de Gortari Regarded as Worst Politician"]

[FBIS Translated Text] Some 41 percent of Mexicans regard former President Carlos Salinas de Gortari as the worst politician in recent times, according to a poll conducted among 1,100 citizens by the newspapers EL NORTE and REFORMA.

Sixty-five percent of the respondents blamed the former chief executive for the economic crisis that the country is going through.

The Research Departments of EL NORTE and REFORMA, in coordination with the U.S. paper THE DALLAS MORNING NEWS, conducted the survey in Mexico City, Monterrey, Guadalajara, and Puebla.

The poll also showed that the credibility of Mexican political leaders has eroded, since almost half of the

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respondents felt that no current Mexican politician is worthy of admiration.

Topping the list of admired politicians is Luis Donaldo Colosio, the deceased PRI [Institutional Revolutionary Party] presidential candidate, with eight percent.

He is followed by Diego Fernandez de Cevallos with six percent; third place goes to former President Miguel de la Madrid with five percent.

The poll showed that in spite of pessimism about when the economy will turn around, most Mexicans are hopeful that things will indeed improve.

Two-thirds of the respondents are confident that President Zedillo will remain in power until the end of his six-year term; just eight percent said they had little or no confidence in this regard, and the rest did not reply.

Only 16 percent of the respondents rated the overall job that President Ernesto Zedillo has been doing as good or very good, describing his political performance as so-so.

The president's track record in combating corruption and in economic matters was described as poor or very poor.

In spite of the severe economic and political crisis facing the country, 36 percent of Mexicans are of the opinion that the PRI candidate will win the presidential election in 2000, followed closely by PAN [National Action Party] with 31 percent and far ahead of the PRD [Party of the Democratic Revolution], which was mentioned by just five percent.

The respondents were also asked for their opinion of the United States; 40 percent said that it was positive, 30 percent so-so, and 27 percent negative.

As to the influence that the United States has on Mexico, 56 percent felt that it is excessive while 26 percent said that it is appropriate.

Economic Situation of 80 Percent of the People Worsens

How would you describe your economic situation today as compared with last year, better or worse?

Response	Percent
Worse	80
Better	2
The same	18

How would you rate the job that President Ernesto Zedillo has been doing in...? (percentages)

Area	Very good/good	So-so	Poor/very poor	Not Sure
Politics	27	41	29	3
The economy	15	31	51	3
Combating corruption	19	26	50	5
Combating drug trafficking	21	29	44	6
Overall record of his administration	16	42	37	5

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Whom do you regard responsible for the current crisis?

Response	Percent
Carlos Salinas de Gortari	65
The system of government	17
Ernesto Zedillo	5
Foreign investors	4
Mexican investors	4
Other replies	1
Not sure	4

Do you think that former President Carlos Salinas was involved in the assassination of Luis Donaldo Colosio?

Response	Percent
Yes	79
No	9
Not sure	12

Do you consider yourself optimistic or pessimistic about Mexico's political and economic future?

Response	Percent
Optimistic	65
Pessimistic	30
Not sure	5

How confident are you that President Ernesto Zedillo will remain in power until the end of his six-year term?

Response	Percent
Somewhat confident	36
Very confident	31
Not too confident	5
Not at all confident	3
Not sure	25

What opinion do you have of the United States?

Response	Percent
Very good/good	40
So-so	30
Poor/very poor	27
Not sure	3

Do you think that U.S. influence on Mexico is excessive, appropriate, or should be greater?

Response	Percent
Excessive	56
Appropriate	26
Should be greater	1
Not sure	7

Methodology: The random, stratified, proportional sampling method was used, and the margin of error is plus or minus three percent with a confidence interval of 95 percent. The poll was conducted in person at home. The respondents were 18 years or older, and the variables of sex, age, level of education, and socioeconomic status were considered.

Coordination: Haydee Perez, Antonia Mancillas, and Rafael Gimenez

Coding and Recording: Mirna Ramos, Guadalupe Rangel, Laura Duenaz, Norberta Juarez, Susana Correa, and Fabiola Valor

Sample Design: Guillermo Aguilar and Lourdes Leon

Pollsters: Research Departments of EL NORTE and REFORMA

Extent of Purchasing Power Drop Evaluated

96P20094

[FBIS Media Note] Recently published cost-of-living figures show a significant drop in most Mexican families' buying power.

A National Autonomous University of Mexico Center for Multidisciplinary Analysis study, using a family "basket of basic necessities" as its standard, finds that most Mexicans are only able to afford 46 percent of its contents, due to a nearly 60 percent loss in

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minimum wage buying power over the past eight years (6 November Mexico City LA JORNADA).

Another study, conducted by the ruling Institutional Revolutionary Party-affiliated Labor Congress, reports an "average" 64.3 percent jump in "basket" prices over the last 11 months, with basic foods and supplies costing 1,131 new pesos per month in October against a minimum wage of 540 new pesos per month (10 November LA JORNADA).

A third set of figures for essential goods and services for a typical family of five presented by Colegio de Mexico economic commentator Julio Boltvinik is more alarming. He cites a current total cost equivalent to 6.7 minimum wages and observes that the average number of wage earners per household is 1.6 and that 56 percent of all workers earn the equivalent of two minimum wages or less (11 November LA JORNADA).

Poll Finds Doubts on Economic Program

96CA0045B Mexico City REFORMA in Spanish 31 Oct 95 p 28A

[FBIS Translated Text]

Economic Recovery Agreement Prompts Skepticism

—Poll reveals lack of confidence in new pact

Are you aware of the signing of the new Economic Pact?

Response	Percent
Yes	57 percent
No	43 percent

Do you approve or disapprove of President Zedillo's economic track record?

Response	Percent
He will deliver	18
It is just more talk	73
Not sure	8

Are you confident or not that the following goals that were set for 1996 at the signing of the alliance will be met? (percentages)

Goal	Confident	Not Confident	Not Sure
Economic growth*	25	70	5
Job creation*	36	61	3
Cutting inflation to 20% (controlling price hikes)*	26	71	3
Recovery reflected in homes, countryside, factories, and businesses*	25	71	4

*The envisioned measures and goals were explained to those who said they were not aware of the pact.

Methodology: 550 interviews were conducted on public thoroughfares at various points around the Federal District on 30 October 1995.

Source: REFORMA Research Department

Draft Budget's Assumptions Challenged

96CA0050A Mexico City LA JORNADA in Spanish 16 Nov 95

[Commentary by Emilio Zebadua, member of Colegio Mexico's Center for Historical Research: "Without a Budget"—received via Internet]

[FBIS Translated Text] In spite of signals from the markets, Guillermo Ortiz has chosen to ignore the fact that the foundations of the economic policy for next year have undergone fundamental changes. Therefore, the chief goals for 1996 cannot be achieved on the terms proposed by the finance secretary. If Congress passes the budget package as is, it will succeed only in postponing an even harsher adjustment.

An attempt is being made to base economic policy on the assumption that the current volatility is temporary and irrational and that "sooner or later" the variables will stabilize at more realistic levels. The Bank of Mexico's interventions in defense of our currency contravene the logic of this argument, however, as they represent a tacit recognition that market forces are setting the value of the peso below the official projections.

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Just recently Francisco Gil Diaz, one of the deputy governors of the Bank of Mexico, stated categorically that continuing the free float was out of the question because there was simply no way to regulate the value of the peso. Since then both President Ernesto Zedillo and Guillermo Ortiz have indicated (various) very specific goals for our currency, from 6.1 to the dollar this year to the latest figure of 7.7 to the dollar as the average in 1996.

For their part, the monetary authorities have agreed to abandon their commitment to nonintervention in an effort to halt the peso's slide. But the steady rise in interest rates has proven ineffective, on its own, in stabilizing the markets. Meanwhile, the liquidity crunch is reducing the prospects for a recovery in production and, through the program to help debtors, is having an unfavorable effect on the budget deficit.

Nevertheless, the finance secretary insists of putting before Congress program goals that were worked out under different assumptions. This is perhaps the last effort to spur a plan (of goals, proposals, and officials) that is altogether devoid of credibility. Ironically, this wrongheaded approach to the conduct of economic policy has created a widespread feeling of disillusionment and frustration across a broad range of sectors.

The opposition deputies are right to question the seriousness of the administration's objectives. They are not the only ones who are doing so. Mexican businessmen are drafting their own economic policy proposals. For their part, funds managers are trying to time the next run on the peso so that they can protect themselves. And as time goes by, foreign investors are starting to consider alternative sites for their projects. Only the members of PRI have been called on to pass the administration's budget package.

President Zedillo himself will be out of the country over the next few days. The defense of his economic policy will be left up to PRI, a party from which the president has kept a "healthy distance" and which nonetheless was punished at the last elections because of the impact of the crisis. Thus, at this juncture the PRI majority will again bear the heavy responsibility of approving an economic program that has already been overtaken by events.

In considering rationally how they will vote, the deputies ought to take the following consequences into account: 1) A confidential appropriation of 650 million pesos will be earmarked for the Office of the Presidency for its discretionary use; 2) PAN's chances of winning in 1997 will improve; 3) The current economic cabinet will remain in office temporarily, and 4) The illusion that "the worst has already passed" will be created. Besides these outcomes, it is unlikely that they will be doing much to remedy the lack of confidence in the country's economic policy.

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Guatemala

Government Reduces Tariff on Imported Goods

PA2011194695 Guatemala City Televisiete Television in Spanish 1900 GMT 17 Nov 95

[From the "Channel Seven News" newscast]

[FBIS Translated Text] The Guatemalan Government has lowered the tariff on imported capital goods from 5 to 1 percent. This measure will become effective on 1 December.

[Begin President Ramiro De Leon Carpio recording] My government wants to increase the participation of the country's productive sectors in the globalization process of the world's economic opening. [end recording] With this decision announced by De Leon, Guatemala joins El Salvador and Nicaragua in Central America's tariff normalization policy.

Honduras

Reaction to U.S. Declassification of Documents

Acting President Comments

PA2011203895 San Pedro Sula TIEMPO in Spanish 18 Nov 95 p 3

[FBIS Translated Text] Tegucigalpa—Acting President Walter Lopez Reyes said yesterday that the administration should lean toward the implementation of the country's laws instead of acting based on statements made abroad regarding the cases of the missing persons or the declassification of documents by the United States.

National Human Rights Commissioner Leo Valladares said on Thursday that the United States declassified 5 percent of the information requested regarding missing persons during the previous decade.

"Some elements are new, but I believe we should lean toward seeing that our laws are obeyed here. However, we are not going to take actions based on the statements of someone outside the country who says that these things occurred. We have to take actions based on our own convictions," the acting president said in respect to this issue.

Lopez Reyes, who acknowledged he had the declassified documents, pointed out that he will have some observations ready regarding the issue which he will give to President Roberto Reina when Reina returns for Europe on Monday.

"The document is serious, but nothing included in it is new. If you search through the newspapers of that period, 90 percent of the information which has currently been declassified is included in them," Lopez Reyes said.

"If you go into our history, everything is in the newspapers, everything is written down," Lopez Reyes said. "The news did not shock me."

Likewise, Lopez Reyes recommended that the Honduran people be patient while the authorities in charge of the investigations regarding the missing persons carry out their duties.

Lopez Reyes, who has been linked with the disappearances by human rights organizations, reiterated that the past should be seen without bitterness or hatred to improve the future. "Let us understand that there is a new generation which is not aware of these ingratitude and it deserves a better nation," Lopez Reyes said.

In addition, Lopez Reyes announced that President Reina will make a final decision regarding the Ciudad Mateo housing project when he returns from Europe.

Lopez Reyes, who admitted he had read the environmental report regarding Ciudad Mateo, said that some of the houses should be left uninhabited because of the ecological damage their occupation could cause.

"Various issues must be considered. The content of the report is very broad, that is why I cannot give a definite answer. If a 100 to 200 million injection is needed to complete the project, you can imagine the price of these houses," Lopez Reyes said.

Army Chief Says Not Damaging

PA2011191895 San Pedro Sula TIEMPO in Spanish 18 Nov 95 p 18

[Report by David Moreno Murillo]

[FBIS Translated Text] Cucuyagua, Copan Department—Colonel Mario Hung Pacheco, who was recently elected commander of the Honduran Armed Forces, has said that the documents the U.S. State Department will begin declassifying will not have any negative repercussions on the military institution.

"I think everyone should be aware of and read those reports so they can see there is nothing negative in them about the Armed Forces and the Honduran nation. On the contrary, it would be advisable for everyone to see them beforehand so we can discuss them," he said when TIEMPO asked him about them.

Hung Pacheco refused to answer whether he would be willing to turn Colonel Alexander Hernandez over to the courts of justice after he replaces General Luis Alonso Discua Elvir as commander of the Armed Forces. Hung

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Pacheco only said that "this is something being handled by Hernandez' defense attorney."

Commander in Chief Refuses Comment

PA2011193195 San Pedro Sula TIEMPO in Spanish 18 Nov 95 p 18

[Report by David Romero Murillo]

[FBIS Translated Text] Cucuyagua, Copan Department—General Luis Alfonso Discua Elvir, Honduran Armed Forces commander in chief, has refused to comment on the documents the U.S. Department of State has begun to declassify regarding extrajudicial executions that took place in Honduras in the 1980's.

He reiterated, however, that as far as he is concerned, he feels free of any responsibility although human rights groups mention him as one of the persons who may have been responsible for those incidents since he was the first commander of the 3-16 Battalion. "I am calm; I have no debts pending," Discua Elvir affirmed.

TIEMPO asked if him if the request filed before the Office of the Prosecutor General to investigate the Honduran officers who participated in the kidnapping of Ramon Matta Ballesteros is another action against the Armed Forces.

"No, I believe this is a matter for the judicial branch and the Office of the Prosecutor General. A lawyer filed the complaint and one must wait to see what the human rights prosecutor from the office of the Prosecutor General does," the Armed Forces chief replied.

Commenting on the remarks by former President Roberto Suazo Cordova that the presidents regard the post of general commander of the Armed Forces as decorative, Gen. Discua Elvir noted that "the president of the Republic is constitutionally the general commander of the Armed Forces. During my tenure as chief I have been respectful and subordinate to two presidents, Rafael Leonardo Callejas and Carlos Roberto Reina. I respect both of them, I appreciate them, and I am loyal to them as their subordinate," he stated.

Later on, he noted that the Armed Forces cannot be indifferent to the process to consolidate democracy, "since the institution watches over free elections in Honduras and the alternation of the presidency, which are factors that show the Armed Forces are an entity for the stability and consolidation of democracy."

When asked on what date Colonel Alexander Hernandez will be remanded to court, Discua Elvir concluded that "the Armed Forces' top command are not a court of justice nor are we judges nor defense lawyers. I think this is a judicial matter and not one that pertains to the military command."

The presence of Gen. Discua Elvir, Colonel Mario Hung Pacheco and other ranking officers enhanced the ceremony on the occasion of Seventh Artillery Battalion anniversary.

Rights Official Comments

PA2011194795 San Pedro Sula TIEMPO in Spanish 18 Nov 95 p 3

[Report by Vladimir Recinos]

[FBIS Translated Text] Tegucigalpa — The first report declassified by the U.S. State Department on the case of the missing persons reveals that the U.S. authorities of that time have a certain degree of responsibility because they kept silent instead of preventing the barbaric actions committed in the 1980's.

The above-mentioned was confirmed yesterday by Leo Valladares, national human rights commissioner, who said yesterday that the responsibility does not lie only within the Honduran state.

The reports "shed light so that one can understand the Honduran state is responsible as well as the U.S. authorities who at that time kept quiet and did not prevent the deaths that took place," they said.

Valladares insisted that the degree of responsibility is by omission, because "they could have prevented these actions, and what former Ambassador Jack Beens did was to report at that time on the situation."

Valladares added that the participation of the northern power could have reached a higher degree due to the fact that the Honduran military forces were being trained by U.S. experts under joint programs.

According to Valladares, the direct U.S. intervention in the national security policy applied at that time is something that is very probable "and that there was knowledge of this and of a possible participation in some actions. In the end, this will be determined by the courts of justice."

However, he said this observation has not yet been duly clarified because so far the declassification of the information is not that broad, and there are some limitations and restrictions that allow for the secrecy of plenty of information.

He said that five percent of the information has been declassified inasmuch as processing the information represents a high cost for the U.S. Government.

Valladares said that this five percent is consistent and very important from the point of view that it clearly

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represents what happened in those years. "There was a policy implemented by the military to repress and persecute the persons described as subversive persons."

He said that he is awaiting more complete and detailed information through a petition on some specific aspects.

The commissioner explained that there are some aspects of U.S. law that maintain certain reservations which do not allow access to the documents in one way or another.

"Many of the declassified documents have deleted names because the law calls for that. A note is written on the right hand margin of the page specifying the article that protects the secrecy of that phrase and name," he pointed out.

According to the commissioner, the declassification does not necessarily cover all of the documents, and that there are always some reservations, "but the context, place, and date gives us information on who is the person."

Cofadeh Leader Says CIA Advised Military on Torture

PA2011200295 San Pedro Sula TIEMPO in Spanish 18 Nov 95 p 3

[Report by Vladimir Recinos]

[FBIS Translated Text] Tegucigalpa — For leaders of the Committee of Relatives of Missing Prisoners in Honduras (Cofadeh), Central Intelligence Agency (CIA) agents "were the Honduran military's advisers on such practices as torture, interrogations, and kidnappings."

According to Dina Meza, it was known earlier but unofficially, that President Ronald Reagan moved the pawns in the struggle against the alleged threat of communism.

For the Cofadeh leader, a clear example was the change of Ambassador Jack Beens, who had warned the authorities in Washington of the dangerous situation that Honduras was experiencing, and was subsequently viewed as a hindrance for the plans that were to be executed.

Meza said that Honduras was viewed as a strategic country where policies aimed at other nations could be carried out, and the U.S. authorities found it necessary to replace Beens with John Dimitri Negroponte.

Meza pointed out that this was not a slip-up; "CIA agents participated because, according to witnesses, they were the ones who advised the Honduran military in such practices as torture, interrogations, and kidnappings."

The Honduran and U.S. military conducted operations "to combat and eliminate people who at the time were characterized as subversives and Communists."

Only in 1992, Meza pointed out, a group of people who were captured and rendered helpless for four days reported that CIA agents participated in tortures and interrogations. They subsequently gained freedom through a petition for habeas corpus.

"Therefore, they cannot wash their hands now because they were the ones who trained the Honduran military in such practices as torture, persecution, and repression tactics," Meza said.

Union President Views Activities of U.S. Union Leaders

PA2111021895 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 20 Nov 95 p A-17

[FBIS Translated Text] San Pedro Sula—The attitude of U.S. union leaders is incomprehensible, because they neglect the rights of workers in the United States but are set on safeguarding the rights of Honduran laborers who work in the assembly plant sector, only to obstruct the development of that national industry.

Honduran Assembly Plant Association [AHM] President Jacobo Kattan has said this happens because the unions and their fellow textile manufacturers scheme against the assembly plant sector and because we compete with them when we export to the United States products produced by the national assembly plant sector.

"We understand even less the position of certain Honduran union leaders who, falling for the ploy of their U.S. counterparts, believe the United States is interfering in our affairs because they are our friends," Kattan has said.

Those countrymen are not aware that that old slogan has been abandoned, "because we are in a global economy in which we all compete against each other, and logically such a friendship does not exist," Kattan has said.

Kattan has said that the U.S. unions are defending their own interests, that they are going to deceive the Hondurans, and that those who do not realize this are naive.

Kattan has said that not all the workers unions in Honduras have a connection with U.S. workers federations and that it is not right for the rest to be penalized because of one union.

Kattan urges all of the country's union leaders to become independent and truly defend the interests of

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the nation's workers. Kattan has assured that the private sector is the first to be convinced of the struggle to improve the workers' conditions but not at the expense of following the ploy of those who compete against us.

Kattan added that if the Honduran union movement needs international support, it should seek alliances with Brazilian or European organizations where there is no interest in competing with the Honduran market.

U.S. Manufacturing Plants Are "Chicken Coops"

Likewise, the AHM President has said the national assembly plants are the nation's pride and are much better than those in the United States.

For example, New York is full of "chicken coops" where people are kept working in partially demolished, 20-story buildings. There are many companies in Texas and Louisiana where workers work under deplorable conditions.

Kattan wonders why U.S. union leaders do not defend the rights of workers in those industries but instead come here where workers work in industrial parks equipped with air conditioners, cafeterias, medical facilities, and other benefits.

In addition, Kattan has said the Honduran assembly plant sector respects the rights of workers to freely organize, engage in collective bargaining, and strike.

It is untrue to say there are no unions in Honduran industrial parks, because there are over 20 unions, and over 13 collective bargaining negotiations are under way.

Kattan has said the monopoly of dictatorship and blackmail the country's unions have been practicing based on the theory that if 30 workers want a union they can subject the rest of them must end in Honduras.

Nicaragua

FSLN Candidate Ortega Comments on Campaign

PA2111024795 Managua Canal Dos Television in Spanish 0000 GMT 15 Nov 95

[From the "TV News" newscast]

[FBIS Translated Text] The presidential hopeful of the Sandinist National Liberation Front [FSLN] seems to be certain that the forthcoming campaign will be constructive and not confrontational. The Front's campaign song will be one of joy. Although polls say the Front has only 20 percent of the voters, the Sandinists are certain they will win in 1996. They still do not know the composition of the ticket. Daniel Ortega is still trying to decide who will be his ticket companion for the elections. His own candidacy is apparently being questioned:

[Begin recording] [Ortega] I think Cuadra is a suitable candidate. I would decline my candidacy in the face of a candidate like Cuadra, but he adopted the decision not to run after considering certain facts and the situation.

[Unidentified reporter] What facts?

[Ortega] We are seeking the cohesion of Sandinism, first. We could lose internal force if we look beyond Sandinism. First, we have to seek Sandinist cohesion, and then we can open ourselves to other Nicaraguan sectors.

[Reporter] You lost the elections in 1990. What makes you think you will win this time?

[Ortega] The people miss benefits provided by the government we headed. I think this allows us to rescue credibility.

[Reporter] Do you think you will be able to create new sources of employment without hurting the economy?

[Ortega] I am certain I can.

[Reporter] How?

[Ortega] Let me have the government, and you will see we can. We did it in the past, under more adverse circumstances, enduring a war, a blockade. This situation does not exist now.

[Reporter] There is inflation, however.

[Ortega] The current inflation conditions exist, because there is no blockade, no embargo. That situation does not exist.

[Reporter] What will be the basis of your campaign platform?

[Ortega] Fundamentally, the solution of the property problem.

[Reporter] Don't you think the abusive pinata-like giveaways could hurt your election campaign?

[Ortega] I think that what has been called pinata was nothing but an act of justice that has benefited thousands of Nicaraguans and upset a minority that in this case deserves to be paid an indemnity. The property issue is a sensitive one, an issue that should be resolved and that can be resolved by a Sandinist front government.

[Reporter] It has been said that you, being 50 years old, have health problems. Do you think you can withstand an electoral campaign?

[Ortega] Everything is in God's hands. I believe I can face all these challenges as long as I am alive and have strength.

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[Reporter] It has been believed that on 23 February five years ago, you were going to announce at Revolution Plaza the end of obligatory military service, but so many people showed up that you decided not to do it. Was this announcement included in your speech or not?

[Ortega] The truth is no. It was not included, because there would have been no elections had we suspended military service at that moment, because the war would have expanded to the cities. We had considered whether to suspend military service. We wanted to suspend the service. The people, logically, wanted a lifting of the service, but the cost we would have paid would have been much higher. Right now, with the new conditions, there is undoubtedly no reason for a military service, and this is why we have said that there should never again be a military service, that the current one has already played its role.

[Reporter] There is always talk of fraud every time there are elections in our countries. They are already talking about fraud in Guatemala. Do you think there will be fraud in these elections, or have you discarded this possibility?

[Ortega] I think we also set the basis for honest elections here with the 1990 elections example we set. The Supreme Electoral Council will have the big responsibility of guaranteeing there is no fraud. The political forces also have the responsibility of not encouraging fraud. We cannot fool ourselves. We must acknowledge what the people want.

[Reporter] One last question. Some people have spoken about postponing the elections. Some say the situation is not stable. How does the FSLN see the electoral environment?

[Ortega] I think this environment has much less tension and is much less politicized than the environment preceding and during the elections in 1989 and 1990, in the midst of foreign pressure, embargoes, a blockade, and a war. The war did not end during those elections. It waned, true, but it did not end.

The problems are different now: Unemployment, hunger, health, education. We know that these problems are a source of concern of the Nicaraguan people and that they generate social tension and insecurity and increase the crime level, but I see no reason why there is talk about postponing the elections, why the electoral law has not been approved yet. I think these are delaying maneuvers that are affecting the electoral process. We believe there must be elections at the moment established and proposed by the Supreme Electoral Council. [end recording]

Leader Views FSLN Alliances for 1996 Elections

PA2111025895 Managua BARRICADA in Spanish 17 Nov 95 p 7

[Report by Pablo Emilio Barreto]

[FBIS Translated Text] Commander Rene Vivas Lugo, one of the members of the National Directorate of the Sandinist National Liberation Front [FSLN], has affirmed that one of the big *alliances* the FSLN will seek to win the 1996 elections would be struck with such non-Sandinist production sectors as the coffee growers, cattlemen, small- and mid-scale industrialists, craftsmen, and professionals.

According to the Sandinist leader, "the first big group with which to seek and strike a *solid alliance* is the country's productive sector, which is rallying around its economic and social interests."

With Daniel Ortega Saavedra as presidential hopeful, the FSLN can strike *solid alliances*, "because Daniel is the most credible person from the standpoint of the FSLN representativeness and compared to other forces," Vivas maintained.

It was a need for the FSLN to clearly launch a presidential hopeful. Not having a figure, a person who inspires respect, credibility, and trust, especially among Sandinists, was a negative factor given the country's current circumstances, because the electoral campaign practically started in Nicaragua. Daniel is undoubtedly the FSLN leader who best contributes to bring the Sandinist system together," [no opening quotation mark as published] Commander Vivas added.

He pointed out that the FSLN's first big task is to bring the Sandinists together, and its second task is to strike alliances with other forces, once we have brought the active members and the rank and file together.

Binder

"You cannot strike alliances when you have not brought your forces together, and Daniel is the leader who contributes the most to bring us together, to strengthen us, to reunite us, to make us meet again," Vivas said.

He insisted that he has no doubts that, with Daniel Ortega as presidential hopeful, we will be able to strike *solid alliances*, because the secretary general is, at the same time, the most credible person due to the FSLN representativeness and compared to other forces.

"I believe that we have to regard the *alliances* from two different standpoints: The first big group with which to strike *alliances* is the producers," he pointed out, adding that "I am not referring to the companions from

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the UNAG [National Union of Farmers and Cattlemen], the ATC [Association of Agricultural Workers], or the enterprises' workers, but to other non-Sandinist production sectors such as coffee growers, cattlemen, small- and mid-scale industrialists, craftsmen, and professionals.

This is perhaps *the most significant alliance*, because the political parties have lost prestige; they are beaten and have lost credibility before society," the FSLN leader also affirmed.

Seeking an Understanding

The second standpoint, which is perhaps a more formal standpoint, is to strike an *alliance* with those political forces that are willing to support us based on a *government program*, he underscored, adding that he does not regard the Resistance sector as part of the Sandinist family, but as part of the major *people's alliance*, which is different concept from that of the *political alliances*.

The rank and file of the Resistance, its current situation, the neglect of the government and its leaders, the poor conditions under which the Resistance members live, the insecurity of the land are seen. All this panorama is very similar to the sufferings of the Sandinist peasants, Vivas assessed.

He stated that "I believe the FSLN must work, starting now, to seek an understanding with the former *contras* based on the economic and social matters adversely affecting them."

Radio Mi Preferida Returns to Air After 16-Year Silence

PA2011193595 Managua Radio Nicaragua Network in Spanish 1130 GMT 15 Nov 95

[From the "620 Newscast"]

[FBIS Translated Text] Radio Mi Preferida will return to the air, after a 16-year silence, with the purpose of attracting listeners, as in the old days of Manuel Jiron. Pedro Blandon and Manuel Jiron Jr. are now in charge of the radio station. Mi Preferida will broadcast with modern equipment and with a capacity of 1,000 watts, which could increase to 5,000 watts in less than a year.

Radio Mi Preferida was heard for the first time in 1962 and was destroyed on several occasions by the Somozists, because it was the most rebellious station on the air. Its microphones were also silenced during the Sandinist era.

Panama

Talks Regarding Military Bases To Begin on 30 Nov

PA2111000795 Panama City EL PANAMA AMERICA in Spanish 19 Nov 95

[From the "Panama's Pulse" column]

[FBIS Translated Text] Regarding the U.S. military bases, Panama will begin conversation with the United States on 30 November to determine the benefits of extending the presence of two or three U.S. military bases after the year 2000. At present, with the same adroitness that we have announced publicly that we could rent the bases to the Taiwanese, the United States has categorically stated that it will not pay rent for the bases.

Regarding payments, these are merely negotiating positions which although they were initially far removed from each other have come closer as the discussions advance. There are many ways the United States could pay for the use of the military bases without actually disbursing funds for the use of the bases. One of these ways is to open its markets to the products produced in the factories which establish themselves in the canal area.

Regarding the benefits, in principle, its is to our benefit to concede an extension to the United States as long as it is accompanied by an fair counter-benefit, subject to favorable conditions for Panama. The canal area is so extensive that it could simultaneously make room for manufacturing plants, ports, warehouses, shipyards, and a thousand other businesses, in addition to the military bases. One does not necessarily exclude the others.

Group Plans Protest March on Talks

PA2011183095 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Nov 95 p 26

[Report by Emilio Sinclair]

[FBIS Translated Text] The Panamanian Nationalist Forum (FNP) [Foro Nacionalista Panameno] is planning a protest march and a picket against the "explorative" talks to reach an agreement on the U.S. military bases.

The march, scheduled for 29 November, will begin at the Belisario Porras Plaza and will head for the U.S. Embassy, but organizers failed to announce the time.

The FNP comprises Panamanian citizens, whose objectives is to achieve "a Panamanian Panama Canal, managed by Panamanians, for the benefit of the country's national interests, and operated in accordance to Panamanian laws, without foreign military bases so that it can be a truly neutral canal."

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In addition, they want "a prudent, wise administration of the reverted areas and properties located in the former Canal Zone," and "the defense of Panama's national interests as well as the overcoming of the political, economic, and social crisis faced by the Republic."

Justice Minister Views Destruction of Coca Plantations

PA2111121095 Panama City EL PANAMA AMERICA in Spanish 19 Nov 95 p A1

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] Government and Justice Minister Raul Montenegro affirmed yesterday that the destruction of coca plantations and laboratories in the Darien concerns the government, because it demonstrates that the drug cartels are present in this area of the country.

He said 46 hectares of coca and a laboratory where part of the coca grown was being processed were destroyed on 16 November at the bordering area of Payita in a joint operation by the National Police and the National Air Service (SAN).

"This must call the country's attention, because it means the drug cartels are present in the Darien, a situation which concerns the government a great deal," he said.

SAN helicopters equipped with artillery sprayed the coca plantations with insecticide as part of an operation dubbed "Lightning" in which units of the Border Police, Institutional Protection Service, the Drug Prosecutor's Office, and the U.S. DEA participated.

Montenegro said the agents who participated in the operation did not meet resistance at the plantations, even though several shots were fired from the helicopters prior to landing.

He also disclosed that the government has proposed at many international forums that international organizations use the drug plantations Panama destroys to finance reforestation projects.

In addition, 30 marijuana plantations were destroyed during the week at the islands of Las Perlas Archipelago as part of an operation that sprayed pesticides in an area of 150 square km.

Police: $600 Million Enters Country Uncontrolled

PA2011022395 Panama City EL PANAMA AMERICA in Spanish 17 Nov 95 p E16

[Report by Juan Manuel Diaz C.]

[FBIS Translated Text] Gabriel Castro, Judicial Technical Police (PTJ) director, said yesterday that $600 million enter Panama annually without any type of control and that it is presumed a large part of it comes from drug trafficking.

Castro, who delivered a speech yesterday before managers and executives of the National Savings Bank on the new law governing money laundering, said PTJ estimates indicate that an average $2 million enter the country daily from Colombia.

He said that authorities estimated approximately $4 million entered the country daily during October alone but that authorities are determined to stop this activity.

He said planes loaded with money in Panama left banks for various destinations up to 1994, and no control was ever exerted over this type of activity.

Castro said investigative authorities are gearing their actions toward seizing drug traffickers' properties, "because that is where it hurts them the most."

According to Castro, it is important to seize the drugs, but it is more interesting to seize the money from this activity. He recognized that a small number of enterprises engages in money laundering activities both at the banking system and in the Colon Free Zone.

He detailed that in Operation Montreal and the one carried out against Israel Mordock and Alberto Laila, it was determined that there are people using the benefits of the Colon Free Zone to commit crimes.

Gabriel Castro said there will be more effective controls against doubtful transactions with the new Law Against Money Laundering. In addition, the PTJ director concluded that the new law introduces the bank control officer post.

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Argentina

Second Stage in 'Rationalization' of State Previewed

PY2111003795 Buenos Aires NOTICIAS Al 'ENTINAS in Spanish 2156 GMT 19 Nov 95

[FBIS Translated Text] Buenos Aires, 19 Nov (NA) — The serious economic woes troubling our country, compounded by the debacle in Mexican finances that resulted in the "Tequila Effect," forced the Menem administration to move into high gear and undertake a further adjustment in economic policy, which may leave a trail of sufferers behind it.

The urge to obtain fresh revenues to palliate the fiscal deficit drove the incumbent administration to "deepen the state reform in order to enhance its role as policy-maker and guardian of government policy, while concurrently relinquishing its productive activities."

The main factor underpinning the second stage in the rationalization of the state initiated by the ruling party is contained in a document that the chief aides to Cabinet Chief Eduardo Bauza and Economy Minister Domingo Cavallo put together for President Carlos Menem.

The document was read by the head of state during a meeting held last week with the members of his inner circle, who make up the "crisis cabinet," historically comprising Cavallo and three members with the name of Eduardo — namely Bauza, [Senator Eduardo] Menem, and [Buenos Aires Province Governor Eduardo] Duhalde.

The president read the aforementioned document aloud in a stern tone of voice. This document, to which NOTICIAS ARGENTINAS had access, proposes, in the chapter entitled "Structural Reforms," measures that "eliminate the current restrictions imposed on the executive branch" to effect deep changes in the administration.

The "tug of war" between the executive and Congress over the former's desire to obtain extraordinary powers to put the economy on its feet again revolves around the need to once again take the initiative as regards tax policy "in keeping with the evolution of macroeconomic variables, and particularly with the behavior of domestic and international markets."

The document also dwells on the so-called "Retraining Fund" [Fondo de Reconversion Laboral], "which is geared to facilitating the insertion into the labor market of the civil servants who are to be laid off as a consequence of the deepening of the state reform," which may very well be the most controversial point of the second phase of the state rationalization process.

The president went on to say: "The proposed scheme will not entail an increase in the fiscal deficit because it will be managed off-budget and will be funded with the proceeds from the sale of assets or through special indebtedness."

The fund "will be managed by the Labor Ministry and will be used for funding training courses that facilitate civil servants' insertion in the labor market in terms of the market demand."

Trade unions, both the pro-government CGT [General Confederation of Labor] as well as the rebel ones — which will stage a protest rally at Plaza de Mayo tomorrow — have harshly questioned the whittling down of the number of civil servants in the federal government and decentralized agencies.

According to the document read by Menem, the measures to be adopted in the second stage of the state reform presuppose the authorization that the executive branch urgently needs from Congress so that the scheme may go through: "authorization for 18 months to eliminate duplication of objectives, jurisdiction, and functions; to centralize and merge decentralized agencies; to privatize or grant concessions for the production of goods and services to be rendered by districts; and to establish that the Budget Law will take precedence over any other law or decree providing for outlays and that contracts or appointments that entail expenditures not foreseen in the budget will be declared null and void."

The Justicialist administration "is hereby requesting a one-year authorization to change taxes, eliminate or suspend exemptions and other tax benefits, and raise new taxes."

Concerning the establishment of the Labor Retraining Fund, it "will involve all the human resources from the public sector who are described as excess personnel, for their reinstatement into the labor market."

This program "will be applicable for the three branches of the government, including all the jurisdictions and organizations and their workers either civilians, military and/or security workers, and without taking into account their scale."

The personnel chosen for this "labor retraining" will collect their salaries "for a period that shall not exceed 12 months."

The document drawn up for the president indicates that, after this period, "the worker will be removed definitively and will be entitled to a compensation payment established by decree, unless the compensation payment is higher than established."

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"The fund will operate at the Labor Ministry, will not be included in the budget, and will be financed by public property sales or by entering debts," while the other employment programs "will be used for an appropriate labor reinstatement."

Another mandatory requirement for the government of President Carlos Menem involves finding a way of transforming into visible deeds the 58 billion pesos that the budget allocates for social spending.

Despite the huge amount of funds allocated for the poorest sectors of the population, the government has been receiving harsh criticism from the opposition and the church. The government has been accused of "callousness" as regards the necessities of the poorest sectors of the population.

This year, 58 billion pesos, 17.53 percent of the budget, has been allocated for social spending, but it has become noticeable that this spectacular amount is not fully reaching the people for whom it has been allocated.

A leading official from the president's inner circle who is working day and night on streamlining the state complained that, either for bureaucratic reasons or as a result of mismanagement of the funds, "this spectacular amount never reaches the people."

Compared with the average percentage that has been allocated for social spending between 1980 and 1983, this year's allocation has been increased by three percentage points of the total budget, involving several billion pesos more.

Nevertheless, the financial constraints being faced by the Justicialist administration have forced the Economy Ministry to reduce the total percentage of social spending by 0.58 percent.

The government is trying its utmost to soundly use the billions of pesos allocated, and wants the people to feel that the funds are reaching the people for whom they have been allocated, and that the state is supporting their basic health and education requirements.

Foreign Minister, Tunisian Counterpart Sign Pact

PY2011233195 Buenos Aires TELAM in Spanish 0016 GMT 18 Nov 95

[FBIS Translated Text] Buenos Aires, 17 Nov (TELAM) — Argentina and Tunisia today agreed to hold regular meetings on issues of mutual interest, foster scientific and technical cooperation, and remove the visa requirement for diplomatic, official, and special passports from the two countries.

The agreements were signed by Argentine Foreign Minister Guido Di Tella and Tunisian Foreign Minister Habib Ben Yahia, who arrived in our country today to review bilateral and multilateral issues and hold talks with President Carlos Menem.

The signing ceremony was held at 1245 today at the Hall of Mirrors of the Foreign Ministry, at the end of the first working meeting held between the two foreign ministers.

The agreement on regular meetings establishes that representatives from the two countries will meet at least once a year to exchange opinions on bilateral and international issues of mutual interest.

The agreement points out that this mechanism is aimed at conducting "frank and constructive" talks that "will contribute to enhancing mutual knowledge and the relations between the two countries."

The agreement also indicates that, if required, the two countries will exchange information through their representatives to the United Nations and to other international organizations.

The agreement authorized compliance with the agreements established between the two sides and cooperation between the institutions from the two countries that are specialized in studying international relations.

After the signing ceremony, Foreign Minister Di Tella hosted a lunch for the visiting Tunisian foreign minister in the Foreign Ministry dining room.

On 18 November, Foreign Minister Yahia will conduct private activities. On 19 November, he will participate in a lunch hosted by Pluspetrol [expansion unknown] company directors.

At 0930 on 20 November, Yahia will meet President Menem at Government House. The Tunisian foreign minister will review bilateral and international issues with President Menem, Foreign Minister Di Tella, and Foreign Ministry officials from the political and economic spheres.

At 1715 on 20 November, the Tunisian foreign minister will hold his second working meeting with Foreign Minister Di Tella at the Foreign Ministry. At 1830 on 20 November, Yahia will hold a lecture at the Argentine Council for International Relations [CARI] on his country's political and economic situation.

On the evening of 20 November, the Tunisian foreign minister will participate in a banquet hosted by Foreign Minister Di Tella.

At 1700 on 21 November, Yahia will meet Senate provisional President Eduardo Menem. At 1800 on 21 November, the Tunisian foreign minister will meet

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Economy Minister Domingo Cavallo at the Economy Ministry.

Training Flights in Continental Glaciers Area Announced

PY2011230095 Buenos Aires LA NACION in Spanish 18 Nov 95 p 5

[FBIS Translated Text] Foreign Minister Guido Di Tella downplayed the importance of an announcement made by the Chilean Air Force commander [General Ramon Vega Hidalgo] that training flights would be carried out in January in the Continental Glaciers area, which was under dispute between the two nations.

Di Tella said: "Obviously, these flights will be carried out in an area that indisputably belongs to Chile. Moreover, explanations have already been given to avoid possible misunderstandings."

The governments of the two countries had agreed upon a polygonal line that divides the glaciers. Nevertheless, when the proposed demarcation was sent to the respective Congresses, it was rejected and the two governments withdrew the proposed demarcation.

According to reliable reports, next year the governments of Argentina and Chile intend to submit this issue — perhaps with a modified demarcation line — to their respective Congresses. Therefore, some local sectors believe the Chilean Air Force commander's announcement might have some domestic significance in that country.

Brazil

Reportage on Replacement of Aeronautics Minister

Outgoing Minister Issues Communique

PY2011190095 Sao Paulo AGENCIA ESTADO in Portuguese 1830 GMT 19 Nov 95

["Official communique" issued by former Aeronautics Minister Mauro Gandra]

[FBIS Translated Text] Brasilia, 19 Nov (AE) — After an unbroken period of service of almost 46 years, I do not yet feel free of military duties just because I am now a reserve officer.

On the contrary, I consider myself more strongly committed to the Air Force and to the nation.

I am still imbued with the same high ideals that took me to the barracks and that inspired me through my military career.

Since I am convinced that "those who know how to give truth to the fatherland do not lie or deceive it, I have sought and I will always seek, to the limit of my own capacity, to help build the Brazil of which we dream, because I am sure that I never engaged in embezzlement while dealing with public affairs.

As a result of the deplorable phone-bugging incident in which my name was mentioned, I decided to tender my resignation to the post of Minister of Aeronautics to his Excellency the President of the Republic, Professor Fernando Henrique Cardoso, who accepted it and decided to choose my replacement.

My action was inspired by the will to prevent the government and the Air Force from engaging in controversies that would be undesirable under the current circumstances.

From a personal viewpoint, I believe a military chief cannot coexist with doubt in the eyes of his subordinates.

The nation and the Air Force are much more important than a man and his career.

The thousands of subordinates, the many comrades, and the various sectors of society who coexisted with me over these 45 years will certainly know how to pass judgment on the appropriateness of my decision.

I will always be praying for the Air Force and for Brazil.

[Dated] Brasilia-DF [Federal District], 19 November 1995

[Signed] Air Force Lieutenant Brigadier Mauro Jose Miranda Gandra, Aeronautics Minister

President Praises Minister

PY2011202595 Sao Paulo AGENCIA ESTADO in Portuguese 1139 GMT 20 Nov 95

[FBIS Translated Text] Maceio, 20 Nov (AE) — President Fernando Henrique Cardoso today denied reports that he asked Aeronautics Minister Mauro Gandra to tender his resignation. Cardoso said: "Let us straighten that out once and for all: Minister Mauro Gandra, with great dignity, approached me and placed his post at my disposal." He said this while walking on the Jatiuca Hotel beach, in Maceio.

Cardoso said Gandra resigned to prevent doubts about the administration over the Sivam [Amazon Region Surveillance System] case. He said Gandra stepped down because he thought this would be better than remaining a target for charges. Cardoso declined to comment on the dismissal of former protocol chief Julio Cesar Gomes dos Santos, whose nomination as Brazilian ambassador to Mexico has yet to be withdrawn by the executive branch. He said: "I will comment on that issue only when I have more information."

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Cardoso believes certain sectors are showing "regressive rage." He added: "Today's sensationalist press reports are proof of this." In his opinion, what happened can happen in any normal country. He is now having breakfast with Alagoas politicians.

Brigadier Lobo Appointed New Minister

PY2011231595 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 20 Nov 95

[FBIS Translated Text] After meeting the entire afternoon, the Aeronautics High Command decided to react to what it called attempts to tarnish the image of former Aeronautics Minister Mauro Gandra. The principal Brazilian Air Force officers issued a document criticizing anticipated condemnations of the former minister and demanding a strict investigation of the facts. The message in support of former Minister Gandra is signed by acting Aeronautics Minister Ulises Pinto Correa Neto and the seven other brigadier members of the Aeronautics High Command.

Late this afternoon, Planalto Palace announced the name of the new Aeronautics minister. He is Brigadier Lelio Lobo, aeronautics minister during the Itamar Franco administration and current president of Telebras [Brazilian Telecommunications, Inc.]

Reportage on Amazon Surveillance Affair, Dismissals

President 'To Downplay' Impact

PY2011130995 Sao Paulo AGENCIA ESTADO in Portuguese 1102 GMT 20 Nov 95

[FBIS Translated Excerpt] Maceio, 20 Nov (AE) — President Fernando Henrique Cardoso and his closest advisers are trying to downplay the consequences and impact of the dismissal of Aeronautics Minister Mauro Gandra and Planalto Protocol Chief Julio Cesar Gomes dos Santos, who are suspected of having trafficked in influence in the Sivam [Amazon Region Surveillance System] case. Speaking during dinner to reporters who are accompanying him during his visit to Maceio [Alagoas State], Cardoso denied any crisis and noted that a cabinet reshuffle is not imminent. Cardoso jokingly said: "I do not like reshuffles. I like revolutions."

In an informal conversation — because he did not want to hold a news conference — Cardoso said the replacement of the aeronautics minister did not have any impact on the military sphere, which "shows Brazil has changed." Cardoso praised outgoing Aeronautics Minister Mauro Gandra, whom he described as "an extremely refined person." Cardoso said: "Nothing is happening." [passage omitted].

Senator Suggests Canceling Project

PY2011223995 Sao Paulo AGENCIA ESTADO in Portuguese 2113 GMT 20 Nov 95

[FBIS Translated Text] Brasilia, 20 Nov (AE) — Senator Antonio Carlos Magalhaes (Liberal Front Party-Bahia), chairman of the Senate Foreign Affairs Committee, today said the government should give up pressing for Congress' approval of the Amazon Region Surveillance System (Sivam) project. According to Magalhaes, given that the project is causing so many problems, it would be wiser to cancel it rather than to allow the creation of a mixed Congressional Investigative Committee (CPI) to analyze the alleged charges of influence-peddling by government officials during the process to select a company responsible for the Sivam.

Presidential Spokesman: Project To Continue

PY2011224195 Sao Paulo AGENCIA ESTADO in Portuguese 2125 GMT 20 Nov 95

[Report by Mara Bergamaschi and Isabel Braga]

[FBIS Translated Text] Brasilia, 20 Nov (AE) — Despite the entire scandal involving the billion-dollar Sivam [Amazon Region Surveillance System] project, the government does not intend to give up on installing the sophisticated radar system that will help control commercial air routes, monitor the environment and minerals, and repress illegal flights in the Amazon region. Despite the turmoil that was unleashed in Congress — many senators are indicating that they will not approve the $1.4 billion international loan for the project, while many deputies are organizing a Congressional Investigative Committee, CPI, on the case — those responsible for the project in the executive branch are willing to solve the impasse in the next six months.

President Fernando Henrique Cardoso clearly stated this afternoon that the government continues to endorse the Sivam project and does not intend to give it up "unless new irregular facts turn up," said Presidential Spokesman Sergio Amaral. The spokesman recalled that the project was not created by the current administration and that former Aeronautics Minister Mauro Gandra was not one its creators.

"December is already lost," said a military officer directly involved in the Sivam project, referring to the fact that the government will have to pay a $3 million fine for not using the loan placed at its disposal since the beginning of the year by the U.S. Eximbank. In July, Brazil paid the first $3 million fine charged by the Eximbank every six months when the credit is not

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used. "We continue working with six-month deadlines," Amaral added.

On its own initiative, the government rules out the possibility of giving up the international loan. "Taking care of the Amazon region is not a military objective, but a government policy," say those who are responsible for the project. The administration will paralyze the Sivam project only if the Senate vetoes the loan contract. The Strategic Affairs Secretariat (SAE), which together with the Aeronautics Ministry is responsible for the Sivam project, has already informed Raytheon, which is the main supplier of technology and equipment for the Sivam, of the new problems. The administration believes that the contract with the U.S. company which was signed last May could be renewed without problems, if necessary. "The continuation of the project is of interest to the two parties," said one of the Sivam sponsors.

While international financing does not come, the SAE and the Aeronautics Ministry continue complying with their work timetable in the so-called "Sivam sites." Construction grounds and programs are being prepared to receive the equipment from Raytheon. Military experts believe that the resignation of Brigadier Mauro Gandra, who earnestly defended the Sivam project, will not affect the development of the program. The 1996 budget bill foresees $250 million for the Sivam project, which will be administered by the SAE.

PFL Calls For Congressional Investigation

PY2011233095 Sao Paulo AGENCIA ESTADO in Portuguese 2137 GMT 20 Nov 95

[Report by Christiane Samarco]

[FBIS Translated Text] Brasilia, 20 Nov (AE) — Pernambuco Deputy Inocencio Oliveira, Liberal Front Party [PFL] leader at the Chamber of Deputies, has stolen the opposition's discourse about the Amazon Region Surveillance System (Sivam) affair. Oliveira is convinced that the corruption charges involved in the implementation of Sivam puts at risk the approval of the Fiscal Stabilization Fund [Fundo de Estabilizacao Fiscal — FEF] and of the constitutional reform. The PFL leader supported the idea of opening a Congressional Investigating Committee [CPI] so that deputies and senators can together investigate the Sivam project for a period of 60 days. The PFL leadership has compared the effect the episode has had on the government to original sin. "The government is no longer clean," a PFL leader said.

"If we do not open a CPI, we will contaminate the FEF and the reforms," Oliveira said late this afternoon, a short while before taking his proposal to President Fernando Henrique Cardoso. Congress President Senator Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa], refuted the idea that the opening of a CPI would hinder voting on the reforms. "Nothing will be hindered," Sarney said. He pointed out that a decision about Sivam is urgent and fundamental.

Amazonas Deputy Arthur Virgilio Neto, who is the first secretary of the Brazilian Social Democracy Party [PSDB], said: "Oliveira's idea is shrewd." Oliveira alleges that without a more detailed clarification of the reasons leading to the dismissal of a Planalto Palace adviser and of a military minister, it is "very difficult" to approve the FEF in the voting scheduled for 22 November. The PSDB deputy is worried about the possibility that the CPI punishes an administration that is taking correct and swift actions.

While Oliveira was going to Planalto Palace to try to convince President Cardoso, Sao Paulo Deputy Arlindo Chinaglia, of the Workers Party [PT], was collecting signatures to install, right away, a two-chamber CPI to investigate the Sivam issue. After obtaining signatures from 51 of the 174 deputies who must sign a document asking for a CPI, PT Deputy Chinaglia said: "Society demands that." Bahia Deputy Jacques Wagner, PT leader at the Chamber of Deputies, said: "We will obstruct voting on the FEF, because we now have a good discourse."

The Communist Party of Brazil and the Democratic Labor Party also support the PT and the idea of opening a CPI, while rejecting the FEF. The split among PT members makes it evident that the opposition still has not agreed on the best strategy for opening the CPI. Sao Paulo Senator Eduardo Suplicy, PT leader at the Senate, has suggested another path: that senators first invite Ambassador Julio Cesar Gomes dos Santos, former head of Planalto Palace protocol; and Jose Afonso Assumpcao, president of the Lider Air Taxi company; to appear before the Economy Committee and listen to what they have to say. "We can thus collect more elements to convince the other political parties to support us," he said. Suplicy pointed out that without the other parties' support, it will be impossible to open the CPI.

Sao Paulo Deputy Michel Temer, PMDB leader at the Chamber of Deputies, plans to meet with the PMDB bloc at the Chamber on 21 November to discuss and reach an agreement about the CPI. Some members of the bloc, however, have already agreed to the idea. Sao Paulo Deputy Alberto Goldman, for example, is already praising President Cardoso's swiftness. He emphasized, however, the seriousness of the problem. "It will no longer be possible to find a simple solution

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to the problem within the Congressional technical committees," Goldman said.

[Sao Paulo AGENCIA ESTADO in Portuguese on 2129 GMT adds: "The Environment and Consumers' Defense Committee of the Chamber of Deputies, which investigated the Sivam project, will request recordings on the conversation held between Ambassador Julio Cesar Gomes dos Santos and entrepreneur Jose Afonso Assumpcao, who is Raytheon representative to Brazil. Based on new events occurring with regard to Sivam, Federal Deputy Fernando Gabeira will request on 21 November reopening of investigations on Sivam tender bidding, which was won by Raytheon."]

Senator: Sivam Technology 'Outdated'

PY2111011695 Sao Paulo AGENCIA ESTADO in Portuguese 2319 GMT 20 Nov 95

[Report by Rosa Costa]

[FBIS Translated Text] Brasilia, 20 Nov (AE) — Contrary to the report presented nearly a year ago about the Sivam [Amazon Region Surveillance System] project, Senator Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonia] will attempt to have the Senate reject all the negotiations carried out between the government and the U.S. Raytheon Company to install the Sivam. The government had managed to approve in December 1994 the first authorization to contract a $1.4 billion loan from the U.S. Eximbank for the Sivam project based on Senator Miranda's favorable recommendation of the Sivam project.

Now, when reporting on the case for a second loan requested by the government — identical to the first one, but without the ESCA [Automation and Control Systems Engineering] company — Miranda has concluded that the technology that will be used by the Sivam is outdated, inefficient, and excessively expensive. He said he traveled to three countries that use state-of-the-art technology for controlling large areas — the United States, Russia, and the Ukraine — to learn "more" before giving an opinion. It was there [place not specified] that he learned about another system, the OTH, Over the Horizon [three preceding words in English]. According to him, this system is cheaper and more efficient than the system offered by Raytheon — a fact that Raytheon and the Aeronautics Ministry has already contested.

Miranda added that in May, President Fernando Henrique Cardoso had reached an agreement regarding an alleged mistake in the text of the commercial contract with Raytheon which affected its validity. The Senate authorized the government to contract a loan for $1.035 billion and not $1.285 billion, without interest, as stated in the document. Miranda said that he would speak today in the Senate about his whole participation on the Sivam case.

Meanwhile, Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo] who yesterday (19 November) engaged in a heated argument with Miranda, unsuccessfully tried to raise the issue in the Senate today. Senator Miranda, against all expectations, remained the whole afternoon in his office preparing his report and a lawsuit he will file against Suplicy before the Federal Supreme Court (STF) for slander. Miranda added that Ambassador Julio Cesar Gomes dos Santos and Lider Taxi Aereo owner Jose Afonso Assumpcao will also have to explain before court why they mentioned Miranda's name in their telephone conversation.

Suplicy presented two petitions in the Senate. The first one summons Gomes dos Santos and Assumpcao to testify before the Economic Affairs Committee. The second one is addressed to the Federal Police, asking for a transcription of the recorded telephone conversation between the two. The petition will be analyzed tomorrow against Miranda's wishes who wants the issue to be heard in the Senate Control Committee.

Finance Minister: 'Super' Bank Not Created by Measure

PY2111025295 Sao Paulo AGENCIA ESTADO in Portuguese 0016 GMT 18 Nov 95

[Report by Soraya de Alencar and Ribamar Oliveira]

[FBIS Translated Text] Brasilia, 17 Nov (AE) — On 17 November, President Fernando Henrique Cardoso signed Provisional Measure [MP] 1182, which increases the Central Bank's powers. The MP alters Law 6024, which deals with trusteeships and extrajudicial liquidation of financial institutions. From now on, the Central Bank can determine whether a bank will sell its shares in the market, transfer control over its shares, or incorporate or merge with another financial institution. The Central Bank can also expropriate shares of the major shareholders in order to privatize the institution.

The MP also establishes that the assets of the main shareholders will be rendered nondisposable in case of trusteeship or liquidation of a bank. In order to secure congressional approval of the MP that encourages bank mergers, the leaders of the political parties that support the government in the Federal Senate demanded this measure. Finance Minister Pedro Malan said: "Provisional Measure 1182 gives more preventive and remedial effectiveness to the Central Bank actions." According to him, the current laws only permitted the Central Bank to suggest the measures that will now become mandatory. Malan added: "The previous instruments were outdated."

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Central Bank President Gustavo Loyola denied that the powers granted to the Central Bank will affect the right to property contemplated in the Constitution. "The right to property cannot be used to harm account holders," Loyola said. Minister Malan denied that the government has created a "super" Central Bank through this MP. He pointed out: "These are common instruments used in several countries of the world. We are not reinventing the wheel."

Article 7 of the MP authorized the Central Bank to determine, preliminarily, the estrangement of indicted administrators even before the liquidation or trustteeship process ends. The Central Bank can also prevent these administrators from occupying positions on the boards or in the administrations of any other financial institution. In Articles 8 and 9, the MP contemplates the possibility of withdrawing their control over an institution's shares. The president of the Republic's expropriation decree will establish the deadline within which the share control is again transferred to the private area.

Malan and Loyola have both insisted that the MP, which was released at 2100 on 17 November, is not a result of rumors about further difficulties being faced by the financial system. They vehemently denied that, now that the Central Bank powers have been increased, some of these measures can be immediately adopted. "All account holders can sleep calmly this weekend, as well as all other weekends," Loyola said after being asked about the possibility of a Central Bank intervention in the Nacional Bank, the purchase of which the Unibanco bank is negotiating.

Finance Minister on Exchange of Privatization for Debt

PY1711203795 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Nov 95 Section 1 p 7

[Article by Carlos Alberto Sardenberg]

[FBIS Translated Text] Finance Minister Pedro Malan has told FOLHA DE SAO PAULO that the federal government will include privatization goals in the package for the rescheduling of the debts of state governments. The more companies the state government privatizes, the lower the installments and interests it will have to pay on its debt.

All state and county governments' debts will be rescheduled. "However," Malan said in the exclusive interview, "there will be no nonreimbursable fund loans."

The government will also demand that the state and county governments reduce their expenses with public employees' salaries. These expenditures, Malan said, are "the origin of the problem."

The privatization goals will be included in the renegotiation of the state governments' domestic public debt, which totalled 31.2 billion reals [R] in September. This total refers to the debt in certificates in circulation in the financial market.

These certificates pay market interest rates, which are high. As the state governments are not paying their debts there is, therefore, no cash disbursement. One way or the other, Malan pointed out, the debt increases as the interests not paid for are incorporated into it.

Malan avoided going into details about the rescheduling program. He reported the general outlines of the program, which consist of granting the state and county governments longer terms to pay their debts. This will be done through agreements that will be negotiated on a case-per-case basis. These debts are concentrated in four states: Sao Paulo, Minas Gerais, Rio de Janeiro, and Rio Grande do Sul.

Malan admitted that the negotiations with Minas Gerais are quite advanced and are following a good pattern. To do this, the domestic public debt would be broken into three parts. One would continue to be the responsibility of the state governments, and would remain under the current conditions. The second part would be linked to an amortization program, to be financed with resources obtained through the sale of assets (state-owned companies and buildings). The third part would be absorbed by the federal government.

The state government would thus owe the amount to the federal government and have the chance to pay for it in many years (20 or 30) and with interest rates lower than those of the market.

According to Malan, these are the conditions, which will depend on privatizations or — as the minister prefers to call it — on the assets reform.

Malan said: "The faster the state government advances in the reform, the more chances the federal government will have of paying for the one third of the debt in improved conditions. Be it through reduction of the interest rate or of the principal of the debt."

Reduction in Expenditures

The minister has reported that the government will announce in the next few days the package for rescheduling of the debts through Budget Revenue Advances (AROs).

These, are short-term loans guaranteed by future tax revenues. This year alone, these AROs have already totalled R3.3 billion. The loans are granted by state and private banks. The interest rates are high, standing at an average 5.7 percent per month.

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The Federal Savings Bank [CEF] will lend money to state and county governments that will pay for their ARO operations and transfer their debts to the CEF. These governments will then have a period of grace and be able to pay for their debts in longer terms.

Practically, all the ARO operations are conducted to enable the governments to pay for their public employees' salaries. Therefore, in the reschedulings done via CEF, the state governments will commit themselves to reducing their expenditures with payrolls.

Can this be done before the administrative reform, which contemplates dismissal of public employees hired in excess, is voted on?

Malan believes it can. He pointed out that the Camata Law, which establishes that payroll expenditures cannot surpass 60 percent of the revenues, is already in force. State and county governments must achieve this goal before 1988.

In addition, the Constitution has already curbed these imbalances resulting from salaries as high as R20,000 and R30,000. Malan added, finally, that the governors are federal government allies in voting for the administrative reform because they have already become aware of the dimension of the problem they have inherited.

Some state governments are earmarking 100 percent of their revenues to payment of their public employees' salaries. In some cases, the payroll increases by 2-3 percent per month, simply as a result of the benefits granted to the employees. These increases alone, represent additional expenditures ranging from 27-43 percent per year and the salary readjustments established by the laws are not included in these figures.

This is the problem: Common expenditures that increase more than the revenues, which — Malan emphasized — have increased very much. According to the finance minister, the governors with whom he has been personally negotiating are clearly aware of the situation and are willing to compromise on the goals.

As regards the other state debts that have already been renegotiated through accords in 1993, Malan believes nothing should be modified. The state governments are duly paying for them and the interest rates charged on the same are lower than the market ones.

The minister also rejected criticism about the allegedly high interest rates established by the Central Bank, which erode public accountings. The already negotiated debts pay low interests. The domestic public debt interests are not being paid for and will be renegotiated, Malan pointed out.

The minister admitted that the ARO's have a high cost. He emphasized, however, that "the problem does not lie on the interests charged on these ARO's, but on the reason why these loans have become necessary: to pay for salaries."

Malan also admitted that the public area — in which are included the federal and state governments, municipalities, the social security institutions, and the state-owned companies — will end this year with a deficit.

Malan does not accept prognostics that this deficit can reach the high level of 3 percent of the GDP (the overall amount produced in the country in one year). "It will not be that much," the minister said. It is certain, however, that the main reason for the deficit is the fast deterioration, this year, of the state and county governments' accounts.

This is why the program seeking to readjust the economic situation of the state governments is important. "If just the federal government implements these readjustments, it will be a useless effort," Pedro Malan said.

German President Arrives in Salvador da Bahia

PY2011225895 Sao Paulo AGENCIA ESTADO in Portuguese 1853 GMT 20 Nov 95

[Report by Biaggio Talento]

[FBIS Translated Excerpt] Salvador, 20 Nov (AE) — German President Roman Herzog arrived in Salvador today with a group of 40 German businessmen interested in strengthening trade ties with Brazil and Mercosur, Common Market of the South. After Asia, the Germans consider Mercosur the most promissing market in the world. Herzog, First Lady Christiane, and their retinue will spend 10 days in Brazil. They arrived at the Salvador Air Base today at 0800 and soon after they visited the Pelourinho district, which President Herzog described as a "bright place." [passage omitted]

Chile

President: Nation Ready for Trade Liberalization

PY2011194595 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 20 Nov 95

[FBIS Translated Text] President Eduardo Frei announced in Japan that Chile will be ready for trade liberalization in 15 years' time rather than 25 years as established by the Asia-Pacific Economic Cooperation (APEC). Let us hear a report by our special envoy to Japan, Jose Miguel Alfaro.

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[Begin relay] The third APEC Summit was held here, with the obvious absence of U.S. President Bill Clinton who was replaced by Vice President Al Gore.

Amid a peaceful climate and discreet security measures, the leaders of the 18 APEC member countries discussed the future of this organization, which currently represents 40 percent of the world's people, almost half the trade, and 56 percent of world production. An effort was made to define a package of measures to establish, within the framework of APEC, free and open trade and investments by 2010 for industrialized economies, and by 2020 for developing nations, taking into account their various growth levels.

After participating in a traditional tea ceremony, the leaders — headed by Japanese Prime Minister Tomiichi Murayama — disclosed the conclusions reached during the summit.

They agreed that during the next meeting — at the level of foreign minister in Manila, Philippines, in 1996 — each member will announce its program to liberalize trade and investments.

President Frei believes this is a historic and visionary step that will give our economic ties with the APEC member countries new impetus.

[Begin Frei recording] The measures to open our economy, our tariff system, the agreements reached within the Uruguay Round, our bilateral agreements with various countries, and our participation in various international forums, allow us to say that by 2010 we will practically be ready to comply with the APEC objectives. We do not need to wait until 2020.

Some 85 percent of foreign investments in Chile come from APEC member countries. If we were to add up all Chilean imports and exports, we would find that 56 to 60 percent involve APEC markets. Therefore, this is an obvious reality. Many jobs in Chile depend on our foreign trade. [end recording]

The APEC's navigation chart sought to create a free trade zone during the first 20 years of the next century, which will be implemented as of January 1997.

Discloses Government Measures

PY2011210095 Santiago EL MERCURIO in Spanish 20 Nov 95 pp A1, A12

[Report by Maria Jose Errazuriz L., special correspondent in Osaka]

[FBIS Translated Excerpt] Yesterday President Eduardo Frei asserted that Chile is prepared to fully liberalize trade and investments with the member countries of the Asia Pacific Economic Cooperation (APEC) by the year 2010, together with the industrialized countries and 10 years earlier than the deadline established for the developing countries.

For this the government will implement an individual action plan based on nine initial commitments that were explained yesterday to the other 17 APEC member countries during the summit being held in Osaka. [passage omitted]

Yesterday, as he disclosed Chile's list of initial commitments, Frei asserted that they are realistic because it is very hard to outline a unilateral plan in such a short time and without prior consultations with the other member countries.

The nine Chilean commitments provide for the shortening of the deadline for the implementation of commitments undertaken by the country within the framework of the Uruguay Round regarding tariffs across the board. For this, Chile will bring forward to 1996 the reduction of the 31.5 percent customs tariff down to 25 percent.

It also intends to improve the tariff consolidation level, which has already been implemented and refers to the commitment to apply an 11-percent tariff for all products, with the exception of four products that are included in price bands.

The third measure refers to the elimination of quantitative restrictions in compliance with Article No. 11 of the GATT such as the elimination of quotas. This measure has already been implemented.

It also foresees the elimination of non-tariff measures, in compliance with Article No. 11 of the Safeguards Accord and the shortening of deadlines for the implementation of Uruguay Round commitments, both of which have already been implemented.

The government also intends to eliminate measures that affect aid granted for trade (dumping [preceding word in English] measures in the agriculture field) during 1996 and to bring forward the date for the implementation of agreements in the textile and clothing field of the Uruguay Round, which have already been implemented, the same as the measures referring to the most favored nation status and granting foreign investments the same treatment as domestic investments.

Chile also intends to complete the implementation of the deregularization process in the telecommunications, ports, sanitary and energy fields as well as in the capital markets, the exchange rate, and the expansion of the financial institutions' activities.

Frei stated that as a result of this meeting in Osaka, the deadline for the regional free trade goal is not the year

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2010 nor 2020, because the processes start in January 1997.

Frei said: "We not only have a medium- and long-term plan, but also a concrete action plan starting in 1997, and this is the great qualitative change the meeting in Osaka has brought, compared to the previous gatherings in Seattle and Bogor." Frei asserted that by then Chile will have fulfilled most of the nine initial commitments explained here.

The president asserted that for Chile, being a member of the APEC is "like being in first division," and added that with the implementation of the deregularization process that has started, the country has the conditions to fulfill all the commitments by the year 2010.

Frei said: "The measures implemented to open our economy and our participation in the various international forums allow us to assert that by the year 2010, we will practically be ready to comply with the APEC objectives and not have to wait until the year 2020."

Socialists: RN Warning on Human Rights Bill 'Sinister'

PY2111144395 Santiago EL MERCURIO in Spanish 17 Nov 95 p C2

[FBIS Translated Excerpt] The Socialist Party [PS] has termed a "sinister condition" the National Renewal [RN] warning to the government that if the bill on human rights is the subject of objections or observations, the opposition party will not approve the constitutional amendments.

PS leader Deputy Camilo Escalona yesterday said that the proposal is a "sinister condition" by RN which "undermines and weakens the ethical basis of its own position."

PS members yesterday expressed their desire to make some changes to the bill on human rights agreed upon by the government and RN at the Senate Constitution, Legislation, and Justice Commission. But if rejected, the Socialist senators will reject the idea of debating it in the Senate.

Congressman Sergio Aguilo said that the deputies will have the same position. He ruled out the possibility that this project may be approved by the coalition without the votes of the PS.

Yesterday it consistently repeated the possibility of approving this bill with the votes of RN, PDC [Christian Democratic Party], PPD [Party for Democracy], and PRSD [Radical Socialist Democratic Party], and with the rejection of Socialist congressmen. Socialist leaders have expressed doubts that the bill could be approved without the PS votes. [passage omitted]

Colombia

Government Grants Asylum to Former Haitian De Facto Ruler

PA2011135195 Madrid EFE in Spanish 1805 GMT 18 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 18 Nov (EFE)—According to what government spokesmen disclosed today, Prosper Avril, former de facto Haitian president, and his wife, Marie Ange Nazon Avril, whose political asylum petition was granted by the Colombian Government on 17 November, could travel to this country within five to six days.

All the official proceedings could be concluded during this time, and the Avrils will be able to settle in this Andean country and will put an end to their asylum at the Colombian Embassy in Port-au-Prince where they entered on 8 November.

Government sources in the Colombian capital said that the former military coupist and his wife were notified on 18 November of the decision the government of President Ernesto Samper made to grant them political asylum.

Including Avril, the number of American rulers to whom this country has granted asylum in the last three years amounts to two. In 1992, Colombia granted asylum to former Peruvian President Alan Garcia, whom the Supreme Court of Justice of his country has investigated and sentenced for committing corruption actions. The government of Alberto Fujimori has renewed the request to extradite Garcia.

The Colombian Government on 17 November made public its decision to welcome the former Haitian de facto president and his wife as refugees. They sought refuge at the Colombian Embassy in Port-au-Prince in the early morning of 8 November.

The ratifications of the international agreements on the matter signed in Havana in 1928 and in Montevideo in 1933 determined the decision to grant asylum to the former Haitian military man and his wife.

Avril came to head the government of Haiti in October 1989, after he toppled the then de facto president Henry Namphy in a coup d'etat.

Six months later, the former military officer was forced to leave power due to the serious crisis in which the country immersed itself, and thanks to an agreement with the U.S. Government, he was allowed to settle in

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Miami. However, he returned to Port-au-Prince shortly after.

Because Haitian security forces raided his house, Avril sought protection at the Colombian Embassy.

Paul Henry Simmeas, Avril's son-in-law, was arrested during the raid, when Haitian authorities claimed they found a weapons arsenal.

The raid took place hours after Deputy Jean-Hubert Feuille, former bodyguard of Haitian President Jean Bertrand Aristide, was murdered and legislator Fortune Jean-Gabriel was seriously wounded in Port-au-Prince. Feuille and Jean-Gabriel were Aristide's sympathizers.

Haiti Refuses To Grant Safe-Conduct

PA2011142195 Madrid EFE in Spanish 1651 GMT 19 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 19 Nov (EFE)—Haitian Ambassador to Colombia Franz Romulus today said that his government will not grant the safe-conduct that will allow former de facto president Prosper Avril to leave Port-au-Prince and travel to Santa Fe de Bogota as a political refugee.

In statements to reporters from the Colombian capital, Romulus warned that the Haitian justice system has linked the coupist general to a criminal action.

Avril must testify before Haitian authorities, the diplomat maintained, who will explain to him that this situation will prevent his government from granting the safe-conduct that will facilitate his departure from Haiti.

The former Haitian de facto president and his wife, Marie Ange Nazon Avril, asked Colombia to welcome them as political refugees after seeking asylum at the Colombian Embassy in Port-au-Prince on 8 November.

The Colombian Government responded favorably to Avril's petition on 17 November and expects him and his wife to travel to Santa Fe de Bogota on 23 or 24 November.

Since Avril entered the Colombian Embassy, the Haitian ambassador to Santa Fe de Bogota has insisted that the former coupist general is being investigated in his country in connection to an incident in which a legislator died and another one was wounded.

Deputy Jean-Hubert Feuille, former bodyguard of Haitian President Jean Bertrand Aristide, was murdered in early November during an attack in which legislator Fortune Jean-Gabriel was wounded.

Following the attack, Haitian authorities raided Avril's house, where, according to official reports, firearms were found. Avril and his wife escaped the raid, which took place in the early hours of 8 November. However, Avril's son-in-law, Paul Henry Simmeas, was arrested during the raid.

Avril, whom Colombia will welcome as a refugee thanks to the fact that Colombian and Haiti have ratified international agreements on the matter, signed in Havana in 1928 and in Montevideo in 1933, came to head Haiti in October 1989, after toppling the then president of [sentence as received]

Poll: People Want President To Finish Term

PA2011143095 Mexico City NOTIMEX in Spanish 1623 GMT 19 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 19 Nov (NOTIMEX)—According to a poll, President Ernesto Samper's popularity has dropped by almost 50 percent as a result of the scandal about his election campaign being linked to the mafia, but the people of Colombia believe that he should remain in his post.

Three weeks away from the day the Accusations Commission of the Chamber of Deputies is set to resolve Samper's legal and political situation, the percentage of people who believe the chief of state must not give up is bigger.

According to poll results reported this Sunday by the media, 72 percent of the polled people believe the president must finish his four-year mandate even if the investigators find that his political campaign received money from drug traffickers.

Samper, who assumed power on 7 August 1994 has denied having any ties with the mafia and attributed the accusations to a smear campaign waged against his government and family by national and foreign interests.

Despite the fact that 50 percent of the people questioned about the country's situation believe that the president knew about the entry of illegal money into his election camapign, the number of people who believe that Samper should remain in his post until 1998 is higher.

It is expected that the investigating parliamentarian, Heyne Mogollon, will issue his first report before 16 December, when the current session of Congress will close.

Some legislators, including Senator Enrique Gomez, brother of the assassinated conservative leader Alvaro Gomez, has questioned the moral qualities of those who will make the ruling in this case because they belong to the political party of the investigated person.

The so-called Group of the Decent Ones believes Mogollon cannot investigate Samper because he partic-

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ipated in the political campaign that put the then candidate of the Liberal Party in power and because he "has allegedly received bureaucratic privileges."

According to the poll carried out by Yankelovich Acevedo and Associates, 74 of the Colombians believe that the Accusations Commission will acquit the president and 14 percent believe it will file charges against him.

Since the scandal started in July, the Office of the Prosecutor General, which is carrying out a parallel investigation, has arrested three former aides of the Samper campaign and has accused them of illegal enrichment and of acting as front men.

They are Fernando Botero, who was first, director of the political campaign, and later defense minister; former campaign treasurer Santiago Medina; and Juan Manuel Avella, the administrative chief who was responsible for the administration of finances at the electoral headquarters.

Samper is keeping in touch with the various political forces seeking support for his proposal to sign a governability pact to pull the country out of the crisis in which it is immersed.

Poll: People Doubt Effectiveness of Social Pact

PA2111012595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 Nov 95

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Despite its positive results in regards to controlling the high cost of living or inflation, as the economists call it, only 32 percent of the 1,800 people polled by Caracol Network yesterday, consider that President Samper's so-called social pact has really been useful in controlling the high cost of living; 68 percent of the people polled doubt its effectiveness.

Government Denies Blocking Foreign Publications

PA2011232995 Madrid EFE in Spanish 2345 GMT 17 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 17 Nov (EFE)—The Colombian Government today denied placing obstacles to the circulation of foreign publications and affirmed that what recently affected the distribution of foreign dailies and magazines in Colombia was the new customs control mechanisms that have been implemented.

The explanation was provided in this capital to the Inter-American Press Association [IAPA] by Sonia Duran de Infante, adviser of the Communications Office of the Ernesto Samper Administration.

In that note, which was addressed to IAPA President David Lawrence and to Danilo Arbilla, who is chairman of IAPA's Freedom of the Press Commission, Duran de Infante explained that it was the new measures to fight contraband, and not restrictions, what has temporarily hampered the distribution of foreign publications.

According to this official, Colombia's National Customs and Tax Directorate on 1 November implemented customs control mechanisms that apply to all importers.

The note states: "The requirements of this new procedure have negatively affected the timely distribution of some foreign dailies, a situation that once noticed (...) was immediately corrected so as not to interfere with the distribution of this material in the country, while trying to grant importers time so that they may adjust to the new customs regulation."

The adviser said it is "fully unjustifiable to consider the new disposition as a reprisal for the publication of some articles in THE MIAMI HERALD."

"The Colombian Government, through its Communications Office, emphatically rejects these insinuations," says the communique issued by Duran de Infante who views the charges as "a clear intention to muddle the clean relations we have with the foreign media, including the mentioned Miami daily. [quotation marks as received]

The presidential adviser stated that her government categorically reaffirms that in Colombia, the exchange and reporting of ideas and information from anywhere in the world are an inalienable right.

The Colombian note came in response to a recent note from Mr. Arbilla asking President Samper to lift the restrictions imposed on the free circulation of foreign newspapers and magazines.

International editions of THE NEW YORK TIMES, USA TODAY, and THE MIAMI HERALD, with its Spanish language supplement EL NUEVO HERALD, were some of the publications affected by the new customs dispositions.

The fact that the control measures coincided in time with the crisis Samper is enduring because of charges that the Cali drug-traffic Cartel allegedly provided financial aid to his election campaign, created fears that reprisals were being adopted because of the publication abroad of reports on this matter.

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Kidnapping Industry Increasingly Gaining Strength

PA2111000595 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 19 Nov 95

[From "Cripton Newscast"]

[FBIS Translated Text] Kidnapping is big business for criminals but a true scourge for the Colombian people. The so-called kidnapping industry is very well-organized and instead of weakening, it is increasingly gaining strength.

Kidnappers do not respect life in Colombia and they violate the minimum human rights. Figures cannot depict the suffering produced by this crime. Indifference is an accomplice of the kidnapping crime.

This is how the crime is defined by the International Human Rights Organization: There are currently 461 persons in the hands of common criminals and 436 are in the hands of subversive groups, meaning there are currently 897 lives without freedom. To this we must add that the efforts made by the justice system have only been limited to norms, investigations, and certain trials involving perpetrators, but never the masterminds of this crime which is more profitable each day and which makes kidnappers increasingly powerful.

Economic Effects of Narcotics Trade Viewed

96CA0047A Santa Fe de Bogota SEMANA in Spanish 7 Nov 95 pp 72-74

[Unattributed article]

[FBIS Translated Text] On the eve of the December holiday season, the windows in Cali's apartment buildings are not decorated with the traditional multicolored lights, but rather have been invaded by "for sale" signs. Those in the know claim that real estate firms and brokers are waiting for a client who fails to arrive, because there have been no buyers since February. Even the few transactions that have been made reveal an overwhelming decline in housing prices. From the 1.2 million pesos paid per square meter of space at the beginning of the year, the price has dropped to approximately 800,000 pesos.

The drop in sales coincided with the intensification of the Joint Special Task Force's operations to learn the whereabouts of the Cali Cartel's ringleaders. Whether or not this is true, many real estate brokers explain their streak of hard times as resulting from the pursuit of the drug trafficking Mafias. SEMANA was told by an expert from the sector: "Many middle-level drug cartel chiefs who had invested their surpluses in real estate have chosen to set out in search of liquidity, at all costs."

Everyone Pays

However, the explanations for this situation are not confined to the real estate sector in the city of Cali alone. During recent months, many spokesmen have claimed that the cooling of the economy this year in both the construction sector and the national economy is associated with the fact that the Cali Cartel's money has gone out of circulation. Although the debate on the real impact that the illegal money has had on the Colombian economy is long-standing, what occurred during 1995 has given rise to the most diverse theories.

Apart from the speculation on the streets, little is known about the economic magnitude of the drug trade. The greatest difficulty in gauging its impact is that there is no unanimity of criteria for calculating the amount of its capital that entered the economy during the 1980s and early 1990s. Since an illegal activity is involved, the only projections have been made based on the DEA's estimates on the entry of cocaine on the U.S. and European markets. So, the differences among these estimates are very great: The most conservative estimators, such as Hernando Jose Gomez, indicate that the annual average was less than $2 billion during the last decade; while others, such as Salomon Kalmanovitz, calculate it as amounting to $5 billion.

The academic, Francisco Thoumi, for his part, has retrieved the existing figures and calculated a new average, which is nearly $3 billion per year. Based on those estimates, Oscar Borrero Ochoa, in a study prepared for the Cali Real Estate Exchange, drew various conclusions. The most noteworthy is the one claiming that the drug traffic's influence on the construction industry has been significant, but not definitive. Borrero maintains that, at their highest point, the investments in real estate amounted to only five percent of the national total ($620 million out of an estimated market of $12.5 billion). And, although in the case of Cali that proportion reached as much as 20 percent of the construction industry, Borrero asserts that it has recently declined to seven percent.

A different analysis results when the total figures for the industry are viewed. At the outset, the income estimated for the drug trade is one and a half times higher than that generated by a traditional product, such as coffee. Although such data are not exactly compatible, since the income from coffee is far more diversified, a potential disappearance of the drug business would bring aftereffects that are not at all difficult to conceal.

In the first place, if the conjectures on the statistics for the drug trade are accepted, the official estimates on exports and on the real size of the economy during the past 15 years have not been based on real performances.

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For example, the annual exports for the past decade do not include income totaling $3 billion from the cocaine traffic. Despite their illegality, half of those funds entered the country by way of the so-called back-door counter of the Bank of the Republic. The impact of this money was of such magnitude that some analysts do not hesitate to point out that Colombia avoided having to renegotiate its foreign debt during the 1980s because of the foreign currency entering the country illegally.

One effect of another type is that occurring in the foreign trade area. Both Borrero and Kalmanovitz agree in stating that the other 50 percent of the income from the narcotics trade has been used to finance contraband. Kalmanovitz estimates that its annual sales exceed $2.2 billion. Owing to the decriminalization of contraband, the boom in this activity has shot up the cost of rent for premises in Sanandresito to the point where a rental in Bogota's main warehouse is more expensive than one in the same city's Unicenter shopping plaza.

However, we should not be deceived regarding the immense costs that this illegal activity has left. The sector that has proven to be hardest hit by the dollar laundering through contraband is production. The manufacturers of auto parts, textiles, ready-made clothing, and footwear have been unable to compete with underpriced products, the entry of which has not been effectively curbed by the customs authorities. Kalmanovitz notes that one of the most significant consequences of this boom has been the establishment of irregular commerce and the increase in tax evasion.

Considering the enormous size of the figures on both illegal exports and imports, Borrero remarks that, during the past 15 years, Colombia has had a second-tier economy which, according to the 1994 data, could be equivalent to five percent of the gross domestic product. Owing to that income, the real estate sector accrued annual income totaling nearly $300 million, whereas the agricultural-livestock industry earned about $500 million, as a result of the purchase of productive land by the Mafiosi.

The abundance of foreign currency had effects on the macroeconomic indexes as well. The peso underwent a revaluation during the past three years, partly as a result of the large volume of dollars on the black market. The street quotation was seven percent below that of the interbank system; however, this difference has declined to two percent during the past few months.

Hard Times

Both the authorities' figures and the academics' analyses agree in indicating that, with the pursuit of the Cali Cartel's leaders, the entry of foreign currency has declined substantially. Some estimates predict that, in 1995, only $1.5 billion from the narcotics trade will enter the country. Drug exports are at a standstill, while the peasants in Bolivia, Peru, and even Guaviare are claiming that there is no one to purchase their coca leaf crops from them. In the United States, the price of a gram of the narcotic has undergone sizable increases, in some instances exceeding 100 percent.

So, it is easy to predict that dollars will not be arriving either, as they had been previously. According to Borrero, one of the main consequences of the decline in the entry of illegal capital has been the rise in the dollar quotation. He warns that this change could affect the capacity for consumption, demand, and the health of the productive sector. It is for this reason that he dares to assert that the cooling of the economy cannot be explained solely by high interest rates or political instability, but also by the sudden drop in much of the income from the drug trade. Borrero adds: "The current crisis is associated with the fact that both the first-tier economy and the second-tier economy are having problems."

What has occurred, although it may possibly be painful at the outset, will have positive consequences in the medium term. Salomon Kalmanovitz observes: "We must not forget that the net effect of the drug trade is a weakening of the State, and that has an incalculable price." For this reason, all the well-informed agree that Colombia would have more to gain if the business ended. Nevertheless, that possibility is not so certain. Even the most optimistic admit that today's crunch may be only a pothole in a road that will continue to penetrate the core of the country.

Annual Drug Traffic Contribution to the GDP [figures given in percent]

Agriculture-Livestock	32.2
Commerce	29.0
Construction	19.3
Others	19.3
Total	$1.550 billion

Source: Oscar Borrero: "Short- and Medium-Term Market Strategies for the Real Estate Sector"

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Drug Traffic's Annual Investment in Colombia [figures given in percent]

Contraband	50
Plots of Land and Farms	10.6
Construction	10
Others	29.3
Total	$3 billion

Source: Oscar Borrero: "Short- and Medium-Term Market Strategies for the Real Estate Sector"

Ecuador

Voters Face 11 National Referendum Proposals

96P20096A

[FBIS Media Note] Some 6.5 million Ecuadoreans are eligible to take part in a national referendum on constitutional reform on 26 November. They will approve or disapprove the following 11 proposals, which were published on 7 November in the daily Quito HOY.

1. The state gradually will transfer resources and responsibilities to the provincial governments, especially in the areas of education, health, housing, and environment, to guarantee effective administrative and financial decentralization.

2. Every person has the right to choose his/her own social security system, that is, the right to remain in the state-run Ecuadoran Social Security Institute (IESS) or to transfer to another public or private system.

3. The state budget will be equitably distributed by province, taking into account national priorities, population, and each province's development needs.

4. It is prohibited, even in the case of strikes, to paralyze the services of health, education, transportation, potable water, electricity, fuel, telecommunications, and the administration of justice.

5. The president of the republic, only once during his constitutional term of office, will be able to dissolve the National Congress and simultaneously convoke early elections of deputies, which must take place within 60 days following the dissolution.

6. Deputies will be elected by absolute majority of the vote for a four-year term, and can be reelected.

7. The president and vice president of Congress will be elected by secret vote and by an absolute majority of members for a two-year term of office.

8. Do you agree that, within 90 days of the proclamation of the results of this referendum, Congress should incorporate into the Constitution the provisions approved in this section?

9. The ministers of the Supreme Court of Justice will be elected by the National Council of the Judiciary, will serve nine years in office, and can be reelected indefinitely.

10. The law will guarantee the rights and determine the obligations of public servants.

11. The Constitutional Tribunal with national jurisdiction will be headquartered in Quito, will be composed of nine members and their respective alternates, will possess the same qualifications and be subject to the same prohibitions as the ministers of the Supreme Court of Justice, and will serve four-year terms of office.

Among the referendum proposals, Nos. 1,2, and 3 provoke the most "controversy," according to the 10 November issue of HOY.

HOY, citing a Cedatos (Ecuadoran Data Company) poll, predicts that 72 percent of the population will approve proposal No. 1 since "decentralization" is currently a "fashionable" word and seen by many as a "panacea" to the ills plaguing neglected provinces. The center-left newspaper warns, however, that if this provision is incorporated into the Constitution, not only will it lead to changes in the way government funds are distributed, but will also increase the responsibilites of the local governments, thereby paving the way for "inefficiency."

The 1 October issue of the centrist EL UNIVERSO, pointing out that no date or time limits have been set by which the "gradual transfer" of funds is to take place, nevertheless encourages a "yes" vote on proposal No. 1 because "step-by-step decentralization is better than none at all."

On proposal No. 2, over 80 percent of Ecuadoreans favor the right to choose one's own social security system, according to HOY, which notes general dissatisfaction over services and benefits offered by IESS. If this provision is approved, HOY says, a "Chilean model" of social security would be applied.

EL UNIVERSO of 7 November reports that IESS has started a 450-million-sucre campaign for the "no" vote. Both dailies, HOY of 10 November and UNIVERSO of 4 October, point out that a "yes" vote would not spell the end of the institute but would break IESS' monopoly, forcing it to become more competitive and efficient. The dailies also agree that this provision, by allowing free choice of services and benefits, could exacerbate IESS' financial crisis, and because of decreased contributions

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from higher income earners who would transfer to a private system, lessen its ability to meet its obligations to low-income sectors of society.

Proposal No. 3, closely linked to proposal No.1 on decentralization, has the support of 85 percent of those polled by Cedatos, revealing high expectations that decentralization will improve the situation of the provinces, according to HOY. EL UNIVERSO of 8 October notes the "negative" consequences of this provision as difficulty of planning a budget by having to break it down by provinces, "temptation to delay large national projects to meet urgent local needs," and uncertainty that national defense expenses are included.

Group Rejects Appointment of Chilean Military Attache

PY2111020895 Quito Voz de Los Andes in Spanish 2300 GMT 20 Nov 95

[FBIS Translated Text] The Ecuadoran Permanent Assembly for Human Rights rejected today the appointment of Colonel Pablo Belmar Labre as the new Chilean military attache in Quito because of his involvement in the torture and disappearance of leaders who opposed the regime of General Augusto Pinochet.

In a communique sent to Chilean Ambassador Roberto Pizarro, the assembly's director, Alexis Ponce, said that Belmar Labre was a member of the sinister National Intelligence Directorate (Dina), which was an organization responsible for the murder and disappearance of thousands of Chileans.

Paraguay

President Denies 'Power Struggle' With Army Commander

PY2011231795 Asuncion NOTICIAS in Spanish 18 Nov 95 p 5

[FBIS Translated Text] The president of the Republic, Juan Carlos Wasmosy, categorically denied yesterday the existence of any "power struggle" with his Army commander, General Lino Cesar Oviedo. Wasmosy added that General Juan Simon Paredes, Oviedo's right-hand man, was not sent into retirement because he did not meet the military requirements for taking this step.

The president told the journalists accredited to the Lopez Palace: "How did you deduce that I was involved in a struggle with General Oviedo? What struggle are you talking about? All this is a fabrication. I am not saying you are involved in this fabrication because you are with me every day. Nevertheless, I believe someone is deluding you."

Laughing and making friendly gestures, the president diplomatically avoided responding to the expressions of "political" support received by his Army commander during the various ceremonies held to mark Infantry Day, ceremonies in which the president and Oviedo were actively involved on 15 November. Wasmosy said: "We will talk about this issue some other day. Now it is too late."

With respect to comments on the alleged existence of a struggle within the Armed Forces over General Paredes' continuation within the Army ranks, Wasmosy said he had to leave the controversial general "at the disposal of the office of the commander in chief" because "he still has not met the period of time required by Article 123 of Law 847" on the Military Personnel By-laws.

Wasmosy also reviewed the retirement of General Carlos Ayala and pointed out that the Military Court had recommended his removal from the Armed Forces.

Ayala was the only military officer who was willing to challenge Oviedo, even using arms. For his part, Paredes signed a letter, openly supporting the Army commander.

Peru

President Says Economy Experiencing 'Deceleration'

PY1711221395 Lima EL COMERCIO in Spanish 25 Oct 95 p A5

[FBIS Translated Excerpt] Yesterday, President Alberto Fujimori disclosed that during the past few months the country's economy has experienced a "deceleration" due to circumstantial reasons such as the conflict with Ecuador and the municipal electoral campaign.

Fujimori added that this process was also prompted by the government in order to generate a balanced development in the various sectors.

The president said: "Decelerating the economy to prevent it from overheating implies slowing down growth in certain sectors to avoid an excess production the country cannot handle, which risks discouraging capital investments."

During an informal chat with the media, Fujimori admitted that the economy grew too fast at an average rate of 5 percent, although it reached 8 percent of the GDP.

Fujimori commented, however, that this "deceleration" will not affect the economic program, "because stability is the basic requirement for any program."

The president said that Peru was supposed to end the year with a growth of 7.5 percent of GDP.

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He also mentioned that expenditures during the undeclared war with Ecuador amounted to 100 million soles.

The chief of state also commented that tax collection during the past few months, especially the General Sales Tax, has dropped. The government's goal for this year is 13 percent.

After visiting several schools that are being built, Fujimori said that "there has been a slowdown, but in three months' time the economy will resume its growth and impetus."

Fujimori said that national development is not a process that "will be imposed from abroad," referring to some recommendations from international financial organizations.

He stressed: "It is a process that we must increasingly control from within the country, in keeping with the Peruvian country and peoples' interests."

The slowdown of the economy was felt especially in the construction of schools in Lima and Callao, where 60 buildings were paralyzed due to a shortage of resources during August and September.

In this sense the chief of state announced that he has ordered the Economy Ministry to disburse 16 million soles to complete the construction of these schools. He commented that is only a matter of 60 schools but it was learned that there are other paralyzed projects in the interior of the country.

A few hours earlier during the inauguration of the Construction Institute, he urged all sectors, not only the construction sector, to contribute to the country's development.

Fujimori said: "We must see that development spread and increase, right now our growth has experienced a slowdown but it is just circumstantial and we hope that it will pick up strength in the coming months." [passage omitted]

Government Antidrug Fight Viewed

PY1711213795 Lima EXPRESO in Spanish 5 Nov 95 p A7

[FBIS Translated Excerpt] Commenting to reporters on the problems facing President Bill Clinton with his Congress to approve the budget for the antidrug fight, Dante Cordova—prime minister and minister of education, yesterday said that the Peruvian Government is firm in its antidrug campaign within the guidelines established by President Fujimori who has a clear policy on the matter.

Cordova said the government will maintain its antinarcotics program and will remain constant even if other countries change positions over the next five years.

He added that he expected consumer countries to reaffirm their cooperation in this effort which is common to all.

The Prime Minister spoke to reporters after presiding over the grand finale of the 1995 Music Festival for Peace, for Life, and against Drugs which his ministry is organizing for the third consecutive year through the Technical Committee for the Enforcement of the Unlawful Use of Drugs (Copuid), which was held at the Mariscal Caceres auditorium in Chorrillos. [passage omitted]

Mexican Cartels 'Pressuring' Peasants To Grow Poppies

PY2011182195 Madrid EFE in Spanish 1831 GMT 19 Nov 95

[FBIS Translated Text] Lima, 19 Nov (EFE)—The National Antidrug Directorate (Dinandro) and the DEA have reported that Mexican drug cartels have increased their presence in Peru. They are reportedly pressuring Huallaga peasants, through Peruvian "firms," to grow poppies in addition to coca.

DEA sources have said there are powerful cartels in the Mexican areas of El Golfo, Jalisco, Sinaloa, Juarez, Tijuana, and Matamoros, and that 60 percent of overall drugs sold in the United States are introduced into the country through Mexico.

Mexican traffickers are reportedly pressuring Peruvian "firms" or "minicartels" to force coca growing peasants in Upper Huallaga to also plant poppies, which is forbidden, in Peru.

Poppy planting was promoted in Peru by Colombian drug cartels, and in 1994 a law was approved imposing imprisonment terms from 5 to 15 years for those who plant poppies, which is used to manufacture opium and heroine.

The DEA stated that the Tijuana cartel, led by Felix Benjamin Arellano, is promoting the planting of poppies in Peru.

It was learned that this organization pays between $3,000 and $4,000 per litter of liquid opium of which heroine is obtained following a chemical process.

Experts fear the high price the mafia pays for opium could lead Peruvian peasants to grow poppies, thus generating a new social problem similar to that of the coca, which has led more than 600,000 Peruvian families to poverty following the drop in coca prices.

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Today an arroba (12.5 kg) of coca is sold for $10, while during the months of April and August its legal price was around $60.

The DEA sources reported that the El Golfo cartel, which is led by Juan Garcia Abrego, has sent about 350 metric tons of cocaine to the United States.

The Lima newspaper GESTION reports that this organization operates from Tamaulipas. Its marijuana and poppy plantations are in Chiapas, Tabasco, Zacatecas, Nuevo Leon, and Michoaca.

Garcia Abrego is accused of planning the murder of Luis Donaldo Colosio, the Mexican presidential candidate for the Institutional Revolutionary Party (PRI).

DEA sources have said the meddling of Mexican gangs in Peru and Bolivia increased following the fall of the main chiefs of the Cali Cartel and the dismantling of the Medellin Cartel.

For this reason the Mexican drug cartels are purchasing large quantities of narcotics directly from the Peruvian "firms" and insurgent groups, seeking to hamper the antinarcotics work of the forces of order and allow national groups to continue to supplying them.

Experts in antidrug policies have stated that, like in Chapare (Bolivia) and Chiapas (Mexico), the mafias will conduct and finance the closing of communications, marches, attacks against public and private properties, among other actions.

Security Forces Dismantle Shining Path Committee

PY1811025295

[FBIS Editorial Report] Lima LA REPUBLICA in Spanish on 2 November 1995 on pages 6 and 7 carries a 1,300-word article by Oscar Chumpitaz on how "the Peruvian Police were able to dismantle, after 15 years of struggle, the Cangallo-Victor Fajardo Zone Committee of the Shining Path, which was an important force of the Main Regional Committee of Ayacucho, based on a report released by the National Counterterrorism Directorate, Dincote, of the Huamanga Police Front."

According to the report, "the dreams and aspirations of Oscar Ramirez Duran, aka Feliciano, who was sure of reactivating the Shining Path movement after the capture of Abimael Guzman Reinoso, came to an end with the killing of the committee's leader Pedro Gomez Quispe, aka Cayo, and the capture of Casimira Hernandez Bautista, aka Maria, and Anibal Castro Palomino, aka Joselo, who headed the political and logistical commands, respectively."

The confessions of the two subversives led to the seizure recently of practically all the weapons, explosives, ammunition, medicine, and equipment being used by this Shining Path committee. Leader Pedro Gomez Quispe, who was responsible for about 200 executions and murders, was killed in a shootout with police and Army units in Ccaccapaqui, Palco District, Lucanas Province. This is the region where security forces are closing in on Feliciano, who, according to secret documents, only has 15 men and a German shepherd for his protection.

The operation for dismantling the Cangallo-Victor Fajardo Zone Committee began on 26 September when security forces arrested a couple of suspects who were carrying false identification documents. The police later found out their real identify as Casimira Hernandez Bautista and Anibal Castro Palomino. Their testimony later lead to the seizure on 7 and 8 October of the Shining Path arsenal hidden in Cangallo, Victor Fajardo, and Lucanas.

SL Regional Organizational Chart Disclosed

PY2011195495 Lima LA REPUBLICA in Spanish 3 Nov 95 p 16

[Report by Oscar Chumpitaz]

[FBIS Translated Text] The recent arrest of the main Shining Path, SL, leaders in Ayacucho led Huamanga Police Front personnel to learn in detail the organizational chart of the Main Regional Committee, their commanders and combatants who have claimed the lives of more than 200 people.

A report issued by the National Counterterrorism Directorate [Dincote] states that the Peruvian Communist Party-Shining Path, [PCP-SL], has its own structure comprising Events, Directorate Organizations, Central Apparatus and Intermediate Organizations.

The Main Regional Committee encompasses Ayacucho, Apurimac, and Huancavelica Departments and it is subdivided into the Ayacucho Zone Committee [CZA]; the Cangallo-Victor Fajardo Zone Committee [CZCF]; the Huancavelica Zone Committee [CZH]; and the Apurimac Zone Committee [CZAp].

The CZCF has "a directorate cell" responsible for implementing "strategic development," "military," and "construction" plans. This cell has a "leadership cell" comprising five old and reliable members who coordinate the ideological, political, and military activities in the zone.

This "leadership cell," which is directly subordinated to the SL leadership, was made up of terrorists Casimira Hernandez Bautista, aka Maria; Anibal Castro Palomino, aka Joselo; and Pedro Gomez Quispe, aka

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Cayo. The latter died in a clash with the joint forces after he was discovered and surrounded.

Hernandez and Castro were captured on 26 September in the township of Palpa, Ica Department, while Gomez was shot dead on 5 October in a clash with joint Police-Army forces in Ccaccapaqui, Lucanas Province.

Major Captures

One day after the shootout, Divicote-FPH/A [Antiterrorism Division-Huamanga Police Front/Ayacucho] agents raided the house of Hildo Huaman Quispe, mayor of Concepcion-Vilcashuaman, on charges of allegedly cooperating with the sanguinary Pedro Gomez Quispe. Huaman was arrested.

On 10 October the 2nd Infantry Division placed the following at Divicote's disposal: Roger Suarez Soto, aka Andres; Victor Chocna Huamani, aka Rafael; and Valeriano Flores Chalaco, aka Acuaman. They had weapons, ammunition, explosives, communication equipment, etc, owned by the FRPA/PCP-SL [expansion unknown].

In an operation conducted six days later, soldiers captured Dario Chavez Leon, aka Benito; Vicente Ccesa Nahui, aka Dante; Saturnino Chavez Rayme, aka Rocky; and Julian Avalos Chancos, aka Willy, who were accomplices of the aforementioned individuals.

As soon as they took up the CZCF military, political, and logistic commands Gomez, Castro and Hernandez implemented an organization process in Asquipata District, Victor Fajardo Province under threats and pressures. They also tried to establish the "New State Front."

They were unsuccessful in this task because members were forced to participate in the organization, and not through the free and voluntary participation of peasants. This clearly showed that there was no appropriate ideological and political training plan for the masses. In view of this, the leaders were compelled to implement an "organization of the masses."

They established a party system in Asquipata, and sought to create "support bases" by carrying out indoctrination campaigns among the masses from April to August 1995.

SL Out in the Open

As part of the transition process, the following "party apparatus" were organized:

The "New State Front" was established. It encompassed: "Rocky," who headed the production committee; "Acuaman" who headed the water committee; "Raul," who was headed the collective tasks committee; and "Sonia," who headed the delivery committee.

"Willy" was in charge of the community affairs committee; "Esteban" headed the justice committee; "Benito," headed the health committee; "Daniel" headed the education committee; and "Taylor" headed the sports committee. "Comrade Nixon" was appointed head of the popular organization committee.

The "Base Force" encompassed: "Benito," head of the political command; "Rafael," head the military command; and "Taylor," head of the logistics command. The selected combatants were "Fidel," "Domingo," "Lino," "Dante," and "Willy."

Pedro Gomez Quispe, aka "Cayo," was responsible of implementing this organizational task along with Anibal Castro Palomino and those identified as "Andres," "Silvia," "Rosa," and "Lucho," all of whom are members the FRPA.

On 7 August the "Asquipata base force" conducted an incursion into the Uyuccasa mine, in Lucanas, and stole 22 boxes of dynamite, six rolls of slow fuses, and 800 electrical and common blasting caps. This material was transported on mules to Viscachay, where it was camouflaged.

On 13-14 August, town resident Epifanio Clares was charged with being a peasant defense patrol member and was killed by Gomez with a shot in the head. The crime occurred in the township of Pampaccata-Apongo.

One month later, Gomez, who was also a CZCF member, killed another peasant in Asquipata. Up to now the identity of this peasant is unknown.

Most of the detainees, including town residents and peasants, have informed authorities that Pedro Gomez Quispe, aka "Cayo," had recruited them under death threats.

Fifteen Peasant Defense Patrol Members Killed

Pedro Gomez Quispe, who was killed by the forces of order in October, also perpetrated the murders of 15 peasant defense patrol members in Pirhuabamba, Concepcion-Vilcashuaman in 1993. Among the victims was the father of Roger Suarez Soto, 15, the youth who was kidnapped and recruited by the CZCF.

Ayacucho police and judicial authorities have stated that all the detainees have been charged with terrorism.

In compliance with the laws in force, Roger Suarez was placed at the disposal of the Child and Youths Prosecutor's Office under the status of a minor under custody.

Hildo Huaman Quispe, the mayor of Concepcion-Vilcashuaman, was placed at the disposal of the Judicial

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Police of the Huamanga Police Front because the Vilcashuaman Penal Court has issued a warrant of arrest against him on charges of embezzlement.

Anibal Castro Palomino, aka "Joselo," and Casimira Hernandez Bautista, aka "Maria," commanders of the CZCF logistic and political commands respectively, are under investigation on charges of treason to the fatherland. Everything seems to indicate that they will be sentenced to life imprisonment.

'Faceless Court' Designated To Try Abimael Guzman

PY1711221995 Lima LA REPUBLICA in Spanish 31 Oct 95 p 3

[FBIS Translated Excerpt] Court officials reported yesterday that Lima Superior Court President Alejandro Rodriguez has established the "faceless court" that will be prosecute Shining Path Leader Abimael Guzman Reinoso, "Comrade Gonzalo," in a civil court.

The Supreme Court trial against Guzman will continue regardless of President Alberto Fujimori's threat to disobey any attempt by the civil court to prosecute the Shining Path leader.

The faceless "judges" were chosen last week, Their names were drawn from among the 69 judges from the Lima superior courts as established by the antiterrorist law, under absolute secrecy, and for this reason the report was learned only yesterday.

Other special courts were also designated through the same procedure to reopen the 650 judicial cases annulled by the Supreme Court, in addition to the "faceless court" that will be prosecute "Comrade Gonzalo."

It was not established if there will be one single court to review the trials against Guzman or whether there will be four, one for each of the proceedings opened against him in the judicial district of Lima. [passage omitted]

Army Officers Charged in Drug Trafficking

PY1711232595 Madrid EFE in Spanish 1648 GMT 17 Nov 95

[FBIS Translated Text] Lima, 17 Nov (EFE)—Today the Peruvian Army handed over to the civilian court five officers charged with drug trafficking. However, it refused to do the same with two generals charged with the same crime because it does not believe there is enough evidence against them.

The officers who were handed over to the civilian court are: Colonel Davir De Vinatea, Major Agustin Tafur, Captains Guillermo Portal and Humberto Uriol, and Lieutenant Mario Figueroa—all of whom belong to the group of 11 military men charged with being involved with drug traffickers.

The other military men involved in the case being heard at the 25th Lima criminal court are Generals Jaime Sobrevilla and MacDonald Perez, Colonel Federico Peralta, Captain Hugo Cordova, former Lieutenant Roberto Plascencia, and Second Lieutenant Jorge Ponce.

According to the judicial investigations, mafia leader Abelardo Cachique, arrested and sentenced this year, reported the military men prosecuted as his "collaborators" and said that he had paid all of them various sums of money.

The Army seemingly has not disclosed the status of the rest of the military men who have been summoned by the court and has disclosed that former Lt. Plascencia was dismissed due to indiscipline.

However on 9 November, Supreme Military Court President Guido Guevara asserted that in his institution's opinion, the charges of drug trafficking against Generals Sobrevilla and Perez are groundless.

Guevara said that the charges pressed against them by prosecutor Juan Cordova and judge Cesar Herrera are typified as malfeasance in office (negligence and disobedience) but not as drug trafficking.

"They are accused of having moved military bases from one place to another, of having refused to give logistical support, but not of drug trafficking," asserted Guevara after stating that he upholds the existence of a conflict of jurisdiction so that the two generals may be tried by the military court.

Judge Herrera, however, has insisted in summoning the two generals and has stated that they are charged with being "accomplices of drug trafficking."

Two days ago Herrera once again interrogated Cachique in the prison where he is serving his sentence, and the drug kingpin stressed that he had blackmailed all the drug enforcement officers based in Iscozacin, according to the Peruvian media today.

The indicted military men were stationed at the mentioned based and others of the Mantaro political-military front, in the central Peruvian jungle area.

Gen. Sobrevilla was commander of the mentioned front between 1992 and 1994 and Col. Perez was his deputy at the time.

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Venezuela

President of Investment Fund Tenders Resignation

PA2111042695 Caracas Venezolana de Television Network in Spanish 1550 GMT 20 Nov 95

[Report by Franklin Villasmil and Pedro Prado]

[FBIS Translated Text] [Villasmil] Carlos Bernardez, president of the Venezuelan Investment Fund [FIV], tendered his resignation to the head of state moments ago. The post will be assumed by former Development Minister Alberto Poletto. We will expand the report in a moment. We now go over to Miraflores Palace. Over to Pedro Prado.

[Prado] We are here at Miraflores Palace, waiting for the departure of Alberto Poletto, whom the president of the Republic is swearing in as the new FIV president.

Carlos Bernardez apparently tendered his resignation to the head of state on 17 November, and the president of the Republic personally decided hours ago to accept the resignation of the person who was in charge of the organization until last week. The organization is in charge of privatization and other procedures, among other things. It is also important for the negotiations being conducted by the Venezuelan Government with the IMF representatives, who are in Venezuela and will remain here for approximately seven weeks.

Minister Cited on Foreign Exchange Rate for Commodities

PA2111040295 Caracas EL UNIVERSAL in Spanish 17 Nov 95 p 2-9

[FBIS Translated Text] Development Minister Werner Corrals said at Miraflores yesterday that the foreign exchange allocated to purchase certain products such as milk, wheat, and milk containers will have to be exchanged at 170 bolivares to the dollar so as to ensure that they will be imported according to Article 3 of Law 895; otherwise, it will be impossible for them to be sold at regulated prices. We believe the coherent, logical thing is to do this, he said.

A JAC [Exchange Administration Board] decision seems to indicate, however, that it is impossible to fully guarantee a rate of 170 bolivares. I believe this is possible as far as these priority products are concerned. This is our position, and this has been our request to the JAC, Corrales added.

The reporters asked him if the PVP [expansion unknown] decree is ready. He said: Consumers have the right to have a great deal of information on what is the maximum possible price they have to pay. The solution for consumers to have this information is to obtain an indication of what this maximum price is. This information could be released through a PVP or through other means such as a price of reference, not necessarily through a PVP. I am not making public any position so far, but I must say that what is missing is a consumer having access to clear and well publicized information on what is reasonable to pay as a maximum price for a product.

Corrales affirmed that Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] has stated that there could be shortages thanks to the scarcity of foreign exchange. We are negotiating with the JAC to expedite, not only to expedite, but to have basic, the liquidation of delicate commodities at 170 bolivares to the dollar so as to keep regulated prices.

Government Rejects Workers' Confederation Warning

PA1711144195 Caracas Venezolana de Television Network in Spanish 0200 GMT 16 Nov 95

[FBIS Translated Text] The government has rejected the warning made by the Venezuelan Workers' Confederation, CTV, about the possibility of civil unrest because state entities have not kept their labor obligations. Here is Pedro Prado with a report:

[Prado] President Rafael Caldera will study the proposals and complaints contained in a document delivered to the Miraflores Palace by Acting CTV President Freddy Iriarte, who announced that they will take to the streets in January to demand the payment of obligations. President Caldera, however, insisted that we will overcome the current situation as long as we are united in the struggle.

[Begin Caldera recording] In this difficult moment for Venezuela, we are experiencing the consequences of a number of serious problems, where our primary concern and duty is to preserve social peace, maintain economic peace through what we have called a culture of protest, in which each one of the groups has the right to express his differences, demands, concerns and sufferings. Above all, and beyond the differences expressed through freedom of speech, which we definitely respect, there is the [word indistinct], there is the conviction, that Venezuela is ours and we all share in the responsibility. We all share the burden, the right, and the duty to push Venezuela ahead so we can reach the 21st century with an open, clear road to achieve a future economic and social development. [end recording]

[Prado] Taking this into consideration, the Council of ministers approved the reorganization of the Health and Social Assistance Ministry [MSAS] and the OCI

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[Central Information Office]. Over a period of four years, 20,000 MSAS positions must be eliminated nationwide.

[Begin recording] [Health Minister Roberto Rondon Morales] This will involve an organic and operational reorganization because the ministry must become a political, regulatory, and control entity as it becomes more decentralized. It will also involve a reorganization of the personnel roster, curtailing it by about 4,000 persons over four years at the ministry's central level, basically comprising unskilled workers and administrative personnel.

[OCI Minister Fernando Egana] With regard to the OCI, a decree ordering the administrative reorganization of this institution has been approved, including the independent services ascribed to it, including the national printing office and the official gazette, Radio Nacional de Venezuela Canal Clasico Network, and VENPRESS. [end recording]

[Prado] The government insists, on the wake of the announcement of the dismissals, that the unemployment rate is 11 percent. The Family Ministry, through Promueva [expansion unknown] and Proinsol [expansion unknown] hope that governorships and mayoralties will generate 60,000 service jobs in 1996 with the support of the World Bank and the Inter-American Development Bank.

[Begin Family Minister Mercedes Pulido de Briceno recording] The reorganizations are not only the streamlining of personnel but a matter of becoming more efficient. You have changes including automated processes, decentralization, and services that are being transferred. You cannot say that unemployment is being generated there because when services are transferred there is also the need to recruit personnel. The incorporation of the rest continued last week with the contributions and the reactivation of the governorships following the electoral process, which will, undoubtedly, become an employment opportunity that will translate into the mobilization of labor. [end recording]

[Prado] The implementation of the employment plan will begin soon, but the reorganization of the national public sector will continue as the government believes the state will be able to fully operate with approximately 450,000 employees and workers.

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